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### PEOPLE

#### Trudeau's Formerly Cleared in Drug Case

Prosecutors in Ottawa charged that Trudeau's wife, Margaret, had been involved in a conspiracy to smuggle drugs into Canada. Trudeau's former prime minister's name had been cleared in 1977 after a Royal Canadian Mounted Police search of his home failed to find a package of drugs. Trudeau's wife was charged in 1983. She married Trudeau in an Ottawa real estate office the following year.

A lawyer persuaded Trudeau to sign a will he didn't want before his death, then "stealing" hundreds of thousands of dollars from the estate, says the Los Angeles Times. The lawyer, Robert M. Shapiro, is the former partner of the late entertainer's wife, Cher. Shapiro, who also worked for Harold Grier, a former aide to Sen. Jesse Helms, was called by Shapiro to take over the estate. Shapiro said the estate was to be placed in a trust to fund the Foundation for the Future in Arts, which provides scholarships at 22 colleges.

Two billionaire families joined in matrimony in a one relative joked had to be proved by the U.S. Securities Exchange Commission. The Steinbergs, who were married in New York, and the Loebs, who were married in New York, are both chairmen and chief executives of the Loebs Corp., which is now a public company.

Governor Mario Cuomo said he would not run for a second term in 1992. He said he would like to see the state's economy improve and the state's debt reduced. He said he would like to see the state's economy improve and the state's debt reduced.

### The Global Newspaper Edited and Published in Paris.

Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, Miami, Rome, Tokyo.

## U.S. Race Comes Into Focus: Bush Likely to Face Dukakis

By R.W. Apple Jr.  
*New York Times Service*  
**NEW YORK** — For the first time since Gary Hart's front-running candidacy abruptly fell apart last spring, the shape of this fall's general election has come into sharp focus. Politicians around the country now believe that Vice President George Bush is highly likely to face Governor Michael S. Dukakis of Massachusetts in November.



Michael S. Dukakis salutes New Yorkers on Wednesday.

Tuesday but also the size and shape of it that convinced professionals that he is the probable Democratic presidential nominee.

### NEWS ANALYSIS

Dukakis is in a position to persuade many skeptics of his appeal in the big states that are so crucial to Democratic success. Although the victory Tuesday was his first in a major Northern industrial state, it came in one where the candidates had competed on more or less equal terms. Previously Senator Paul Simon of Illinois had won on his home turf, and the Reverend Jesse L. Jackson had taken Michigan by mobilizing the black vote in Detroit so thoroughly that he dominated that state's caucus process.

Mr. Dukakis did best in the smaller cities upstate and in the suburbs, least well in New York City. That is bad news for Mr. Jackson, the governor's main rival. He did well in New York City, though he narrowly lost it; but in the tests that lie immediately ahead — in Pennsylvania next Tuesday, and in Ohio and Indiana a week after that — the Democratic electorate will bear a strong resemblance to that of upstate New York and the suburbs and very little to the city's.



Their 15-day ordeal over, freed passengers leave the plane on Wednesday.

## Hijackers Free All Hostages On Kuwaiti Jet

Compiled by Our Staff From Dispatches  
**ALGIERS** — The two-week hijacking of a Kuwait Airways jet ended at dawn Wednesday when nine hijackers were taken off the Boeing 747 by Algerian negotiators and the 31 remaining hostages were freed.

Kuwait reported that the hijackers, who killed two passengers during the 15-day ordeal, surrendered to the Algerian authorities in return for a promise of safe conduct to either Iran or Lebanon. Officials in Algiers said later that the hijackers had left the country, but other official sources said the hijackers would remain in Algeria for a few days while deciding where they would go.

The Kuwait News Agency reported that no deal other than safe passage was struck with the hijackers, who had demanded the release of 17 extremists imprisoned in Kuwait for bombings there in 1983.

The Kuwaiti government thanked Algeria for its help in releasing the passengers and condemned what it called the "cowardly" hijacking as part of a plot to distract the Arab world from its major causes.

Twenty-four passengers, led by two women wrapped in blankets, plus the airline crew of seven left the plane as the hijacking was entering its 16th day.

## Algiers at Odds With Air Piracy Pact

By Barry James  
*International Herald Tribune*  
**PARIS** — In granting safe passage to the hijackers of the Kuwait Airways jumbo jet who murdered two of their hostages, Algeria is repudiating an ineffective agreement by 130 other nations to bring air pirates to justice.

Paul Sheppard, security director of the International Civil Aviation Organization in Montreal, acknowledged that the convention, despite its strong wording, had no teeth.

Paul Sheppard, security director of the International Civil Aviation Organization in Montreal, acknowledged that the convention, despite its strong wording, had no teeth.

know the whereabouts of the hijackers and was commenting on the basis of sketchy reports.

## Soviet Sources Say Ligachev Power Ebbs

By Philip Taubman  
*New York Times Service*  
**MOSCOW** — The Communist Party's No. 2 official, Yegor K. Ligachev, has curtailed his activities since a reported clash with Mikhail S. Gorbachev, the Soviet leader, and he may have lost part of his portfolio, Soviet officials said Wednesday.

The reported clash, which Mr. Gorbachev seems to have won convincingly, comes at a time of increasing resistance to his programs in the government bureaucracy and local party organizations around the country.

The apparent rebuff of Mr. Ligachev strengthens Mr. Gorbachev's control over the top echelon of the party, and may help him mobilize support for his programs at lower levels.

The article, ostensibly written by a Leningrad government teacher, appeared March 13, a day before Mr. Gorbachev was due to leave for a visit to Yugoslavia and Mr. Yakovlev was scheduled to fly to Mongolia.

## Klosk Czechs to Name A New Cabinet

**PRAGUE (AFP)** — Prime Minister Lubomir Strougal presented his government's resignation on Wednesday to pave the way for a cabinet reshuffle, official sources said.

On Tuesday, the parliament voted to restructure part of the government, including streamlining the ministries that deal with the economy. Mr. Strougal is expected to announce a new government Thursday.

**General News**  
John C. Shephard withdrew from consideration to be deputy to Attorney General Edwin Meese 3d. Page 3.  
The U.S. Senate, seeking clarification, is delaying a vote on the missile treaty. Page 3.  
In Vietnam, narcotics addiction is on the rise. Page 4.  
The United States has accused Mozambique rebels of waging a war of terror. Page 4.

## Jackson Says He Will Stay In Primaries

Compiled by Our Staff From Dispatches  
**NEW YORK** — The Reverend Jesse L. Jackson vowed Wednesday to stay in the Democratic presidential race through the final round of primary elections in June, but he congratulated Governor Michael S. Dukakis of Massachusetts for his strong victory in the New York state primary the day before.

Mr. Dukakis and Mr. Jackson called for a positive campaign that would avoid the divisiveness exhibited in New York and unify the party in the fall.

Mr. Dukakis, now the undisputed front-runner in what is seen as a two-man race for the Democratic presidential nomination, remained

## Delegate Count After New York

Candidate	Delegates
Dukakis	104
Jackson	10
Shultz	0
Uncommitted	684

## Senator Sam Nunn is one of three Democratic leaders drafting an overhaul of U.S. war powers legislation passed in 1973. Page 2.

## Business/Finance

**U.S. consumer prices** rose 0.5 percent in March, the biggest gain in 14 months. Page 17.  
**Pengoat**, the French automaker, said its profit nearly doubled in 1987. Page 19.

## Sports

**The Baltimore Orioles** tied baseball's major league record for losses — 13 — at the start of a season. Page 23.

## Special Report

**Taiwan** is initiating major changes in its relations with China. Pages 11-16.

## U.S. Colleges Get So Picky Top Students Fail to Gain Entry

By Deirdre Carmody  
*New York Times Service*  
**NEW YORK** — In the past, only the weakest American students were rejected by all the colleges to which they applied. But this year, many students near the top of their class have been devastated to learn that they have not been accepted anywhere, U.S. college guidance counselors say.

"This year the big news among the guidance counselors is that safeties are no longer safeties," said Thomas Anthony, dean of admission at Colgate University in Hamilton, New York, using the jargon for the least selective college on a student list.

What the experts find astonishing is that for two straight years college applications have increased when colleges expected a drop because of the decline in the number of 18-year-olds. Admissions officers still do not quite know what happened.

## Counselors are finding themselves dealing with tearful students and calls from outraged parents.

standard college entry examination — was over 1300 and his additional achievement tests averaged over 600. In addition, he was a good swimmer and involved in several student activities. The student applied to two Ivy League colleges, two selective smaller Eastern colleges and to the University of Michigan. He was turned down by all.

Another, this one at a top New England prep school, had won the school's public speaking contest, played lacrosse and had a combined SAT score of just under 1200. He applied to eight selective colleges, including Harvard, Princeton and Wesleyan University. He was rejected by all.

## U.S. Colleges Get So Picky Top Students Fail to Gain Entry

score of 1360 out of a possible 1600, placing him in the top ranks of students nationally. He was rejected by all four of the schools to which he applied: Duke University, the University of Michigan, Tufts University and Dartmouth College.

Another student was ranked in the top fifth of his class at New Trier High School in Winnetka, Illinois, one of the most academically rigorous public schools in the country. His combined score on the SAT — the

## Wazir Death Fails to Unite Arafat, Assad

By Jonathan C. Randal  
*Washington Post Service*  
**DAMASCUS** — Amid chaotic scenes of scuffling and emotion, Khalil al-Wazir, the assassinated leader in command of the Palestine Liberation Organization, was buried on Wednesday alongside hundreds of Palestinians who have died in their struggle for a homeland.

But intensive diplomatic efforts failed to make Abu Jihad, as Mr. Wazir was better known, as immediately useful in death as he had been in life. Mr. Wazir's death was seen as a setback for the PLO.

High-ranking Palestinians said the real obstacle preventing a meeting between two of the Arab world's most willful adversaries was Mr. Arafat's refusal to break off all relations with Egypt once and for all as Mr. Assad demanded.

TODAY'S INTERNATIONAL BUSINESS SAGE CENTRE Appears on page 1

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# In a Newspaper Ad, Aged Texan Seeks 'Someone to Talk to'

By Lisa Belkin  
New York Times Service

MIDLAND, Texas — For perhaps the first time in his 68 years, Andrew Knickerbocker is lonely. His children are grown and leading their own lives. His oil business has been closed since the last of his wells dried up two years ago. His wife, Hazel, 52, is in ill health, often forgetting where she is and what she was saying.

His friends, he said, "have all moved north of town — to the cemetery." Although he visits a gym for two hours every day, the rest of Mr. Knickerbocker's time is spent at home, in relative silence. "It's tiring when you don't have anyone to talk to," he said. "All I'm looking for is someone to talk to."

That is what led him to place an advertisement in a Dallas newspaper offering room, board and use of the family car to someone who wants to write novels. The only requirement is that the novelist be a woman, because, he said in a recent interview in his home, that would make his wife more comfortable. Sitting nearby, Mrs. Knickerbocker, a fragile, chain-smoking woman with friendly but vacant eyes, periodically looked to her husband to answer all questions.

The novelist, Mr. Knickerbocker went on to say, must also be in good health, because "I cannot handle" another invalid in the house. The only

thing he asks in return, he said, is companionship and conversation.

So far, more than 150 women have answered his advertisement. They live in such places as New York, Colorado, California and Texas and range in age from their early 20s to their late 60s.

Although some of the letter writers describe his plan as unusual, Mr. Knickerbocker said it could not be more logical. He does not want to burden his family: a daughter who lives in Midland and a granddaughter in graduate school. He does not want to enter a nursing home, either, or confine his wife to one.

He is financially well off, he said. He has a part-time cook, a housekeeper and space for a guest bedroom, an extra bathroom and a study in his immaculate house.

Rather than taking in a boarder, Mr. Knickerbocker said, he hopes to find "someone to be a member of the family." When he and his wife die, he said, "We would leave them part of what we have, like we would family."

His wife only partly understands his plan, Mr. Knickerbocker said. "She agrees she needs someone to stay with her," said Mr. Knickerbocker, who leaves the house between 8:30 and 11:30 each morning to lift weights at the gym and run errands, but spends the rest of the day at home with his wife. "She begs me, 'Please don't send me to a nursing home, and I don't want to.'"

Mr. Knickerbocker is looking specifically for a writer-boarder because, he said, "You want someone intelligent, and I figured a writer will be intelligent." He acknowledged, too, that he has always thought the story of his own life would make a good novel.

Mr. Knickerbocker was born in 1899. From the age of 6, he lived with his family in a copper-

**A 5-foot-4 weightlifter, 88, offers room, board and use of the family car to a woman 'who wants to write novels.'**

smelting town on the Mexico-Arizona border, where his father ran a rooming house over a gambling saloon. In 1943, he started an oil-drilling company and retired more than 40 years later, at 85.

If a potential boarder would like to write his life story, Mr. Knickerbocker said, that would be just fine. "I think we could come up with something as good as anything on the best-seller list," he said. But if she has other projects in mind, he said, "We could talk about that, too."

Formulating his plan was easy, Mr. Knicker-

bocker said. Executing it has been surprisingly difficult. In the past year he has sent letters to dozens of people likely to know aspiring writers: book agents, college professors, even people who type manuscripts at a per-page rate. Only one person wrote back. "I guess they thought it was a silly idea," he said. "But they should have answered my letter. There's no courtesy in business anymore."

Last month, he took out the following advertisement in The Dallas Morning News: "Don't Overlook This. If you think you are a writer and would like to try to write that novel you always thought you could if you had the time and the finances. No money required now or ever. A real windfall for the right person. If interested write A. Knickerbocker, Box 2175, Midland, Texas. 79702."

Within days he received 86 letters. Then The Morning News wrote of his search and he received 35 more. When The Houston Chronicle picked up the story, 40 more people wrote.

After 24 hours Mr. Knickerbocker decided she would not do. "I was worried about her health," he

said, explaining that the applicant was about 40 to 50 pounds (18 to 22 kilograms) pounds overweight. A diminutive man — 5 feet 4 inches (1.62 meters) tall and 106 pounds — he acknowledged that he is "obsessive" about physical fitness. He sent the woman back to Dallas, but gave her \$400 for the back payments on her car, which was about to be repossessed.

After reducing the stack of letters to three, Mr. Knickerbocker is finding out more about the finalists. All are in their early 40s to mid-50s and all are from Texas. They have minimal writing experience, but "they write nice letters," he said.

He said he is not worried that a stranger will take advantage of his loneliness or his generosity. "I believe I can watch them closely enough," he said. "You get used to watching out for yourself in the oil business."

As further protection, he said he plans to ask for references from his finalists and is willing to provide his own references if asked. "They might want to know more about me before they move on in," he said. "I can understand that."

Still stinging from the lack of response from the literary agents, professors and manuscript typists, he is answering every letter he has received. That takes a lot of time. He types using only two fingers. "Please say the position is filled," he added. "I don't want any more mail."



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## Meese's Choice for Deputy Will Not Take Position

The Associated Press

WASHINGTON — John C. Shepherd, the man Attorney General Edwin Meese 3d had chosen to become his deputy, formally withdrew his name from consideration Wednesday, saying that he and his wife "were not prepared for the pressures" to which they would be subjected.

The refusal is seen as a new embarrassment for Mr. Meese, who had announced April 5 that Mr. Shepherd, an attorney, was his choice to become deputy attorney general, replacing Arnold I. Burns.

Mr. Burns announced March 29 that he was leaving. His last day on the job will be Friday.

According to other Justice Department employees, the resigna-

tions of Mr. Burns and several other Justice Department officials were prompted by Mr. Meese's continuing legal problems. He has been under investigation by a special prosecutor for nearly a year.

Mr. Shepherd said in St. Louis that he had originally felt it had been his duty to accept Mr. Meese's offer "without hesitation."

But, he added, "I am concerned about the personal and financial sacrifices my family and I were being asked to make in order to accept a very difficult short-term appointment. My wife and I were not prepared for the pressures to which someone recommended for this position at this time would be subjected."

He said he and Mr. Meese had

discussed his predicament. "While I am pleased to learn that there is no obstacle to my nomination, I have asked him to withdraw my name from consideration," he added.

Mr. Shepherd would have replaced Mr. Burns as the No. 2 official in the department. Mr. Shepherd, former president of the American Bar Association, has been criticized for belonging to two private clubs, one all-white, the other all-male.

Mr. Meese, in a statement of his own, said, "Regrettably, intense media attention on Mr. Shepherd's impending nomination has had a severe impact on him and his family."

Shortly before Mr. Meese recom-

mended Mr. Shepherd for the Justice Department post, a former bookkeeper from Mr. Shepherd's law firm testified that she had had an affair with Mr. Shepherd.

The bookkeeper, who was convicted of embezzlement, claimed Mr. Shepherd had told her to write checks to herself. Mr. Shepherd denied that he had an affair with her or that he had authorized her to write checks.

Mr. Meese said Wednesday, "There is nothing whatsoever to suggest that Mr. Shepherd would have had any confirmation problems."

Mr. Shepherd earlier had been recommended for a job in the Justice Department by E. Robert Wallach, a friend of Mr. Meese now

under indictment in the Wedtech affair, sources said Wednesday.

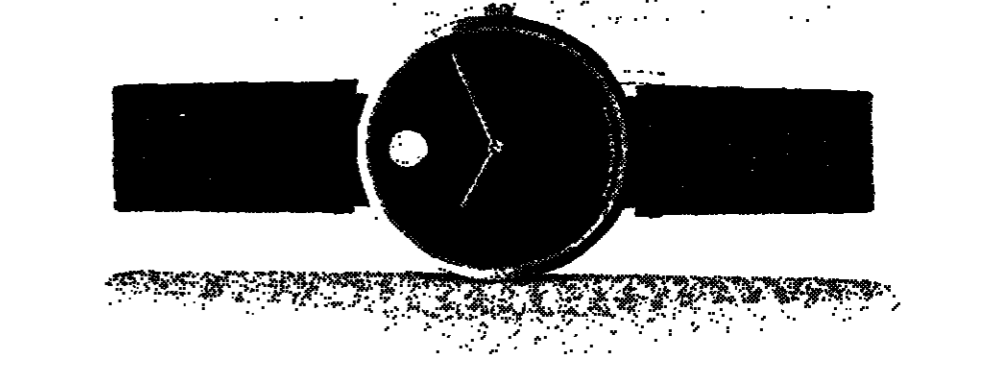
■ 3 Aides Leave

Three more top Justice Department officials are leaving their posts following resignations by six others in protest over the legal troubles of Mr. Meese, a department official has told The New York Times.

It was not immediately clear whether the new resignations were intended as a protest, but the loss of three more senior department officials at a time of turmoil at the Justice Department is a serious blow to Mr. Meese.

The resignations of the officials, Paul G. Cassell, Raymond B. Ludwizewski and Gregory S. Walden, all associate deputy attorneys general, follow the departures in late March of Mr. Burns, Assistant Attorney General William F. Weld and four of their top aides.

The latest departures mean that five top associates of Mr. Burns have decided to resign in the last three weeks.

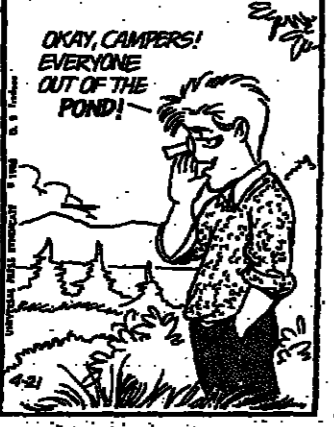


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## DOONESBURY



## U.S., Soviet Negotiators Progress On Verifying Strategic Arms Accord

By Don Oberdorfer  
Washington Post Service

HELSINKI — U.S. and Soviet negotiators have made "significant movement" recently on ways to verify a strategic arms agreement but are not making headway in resolving closely related space defense issues, according to officials accompanying Secretary of State George P. Shultz to Moscow on Thursday for two days of high-level diplomacy.

"We're going to Moscow with some additional thoughts," Mr. Shultz said Wednesday at a news conference in Helsinki held to explain how the United States hoped to resolve issues standing in the way of an accord to cut back U.S. and Soviet strategic nuclear weapons by up to 50 percent. The secretary's comments were preceded by an arms control progress report for journalists by several of his senior aides.

Although Mr. Shultz did not detail the ideas he is bringing, his aides indicated they included these points:

• New U.S. suggestions for resolving the dispute with the Soviets over how to count the number of air-launched cruise missiles placed on strategic bombers. The more these are counted, the fewer other nuclear weapons can be deployed by the two sides under the total limitations they have agreed to. One aide said Mr. Shultz is prepared to offer limitations on the basing of bombers armed with cruise missiles, and to offer ways to distinguish these from other warplanes.

• A suggestion that the two sides get around the issue of limiting sea-launched cruise missiles by declaring how many such nuclear-armed weapons each plans to deploy, without seeking more definite or verifiable limits. Recently, the Soviets have insisted on limiting nuclear sea-launched cruise missiles, or "SLCM's," while the United States has insisted that nonnuclear SLCM's must not be limited. Both sides have been unable to present a workable and acceptable proposal for telling the difference between nuclear and nonnuclear types.

The officials said the recent progress in the Geneva arms discussions has cleared away much "underbrush" of detail on complex issues of inspection and verification although they emphasized that much more remains to be done.

One of the advances, an official said, was the Soviet presentation in fleshing out of a "garrison" con-

cept to limit the deployment of mobile missiles to a prescribed area except during mutually agreed periods of time.

In the space defense field, a senior official said, there has been "no engaging" in recent discussions. He and others expressed the hope for progress in this area in the talks in Moscow. The Americans made clear they especially hoped to hear the Soviet reaction to a recent U.S. proposal to permit certain types of sensors to be placed in space.

Mr. Shultz is meetings in Moscow on Thursday and Friday with Mikhail S. Gorbachev, the Soviet leader, and Foreign Minister Eduard A. Shevardnadze. The outcome of the working sessions between several groups of senior aides on both sides may determine whether a landmark Strategic Arms Reduction Treaty can be completed in time for signing at the Moscow summit meeting of President Ronald Reagan and Mr. Gorbachev, to be held May 29 to June 2.

Many U.S. officials have described such a quick resolution of the far-reaching accord as unlikely. But Mr. Shultz as well as his aides said Wednesday that they have not given up hope.

U.S. and Soviet positions on regional disputes also are being given emphasis in the talks following a flare-up of military action in the Gulf.

■ Senate Warned on INF  
Julie Johnson of The New York Times reported from Washington: The White House said Wednesday that any effort to amend the INF treaty would delay Senate approval of the accord and would be "most unfortunate."

Marlin Fitzwater, the White House spokesman, said Mr. Reagan had hoped the accord would be approved before the summit meeting in Moscow, not afterward. Further, he said, Senate approval of the treaty, which bans Soviet and U.S. medium- and shorter-range nuclear missiles, would give a symbolic lift to ongoing talks to dismantle long-range strategic weapons.

Senator Robert C. Byrd of West Virginia, the majority leader, has said the treaty will be debated on the Senate floor May 9, about two weeks before Mr. Reagan departs.

Mr. Fitzwater's comments Wednesday were more aimed at an objection that has been raised in the accord by Senator Sam Nunn, Democrat of Georgia and chairman of the Senate Armed Services Committee.

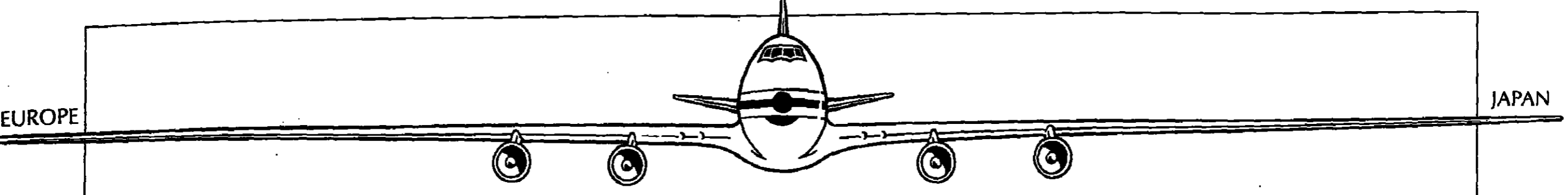
Mr. Nunn asserts that an amendment to the treaty may be needed to clarify the Senate's intention that the pact also applies to future weapons built with new technology. Any amendment to the treaty would require Soviet agreement.

"We are very concerned about that," Mr. Fitzwater said of the senator's objection. "All of our discussions with the Congress have indicated that they would be able to ratify the treaty before we go to Moscow for the summit. That has been our expectations based on discussions with Congress. We still think that is possible, and we hope that the Congress will stick to that schedule."

## WestLB International S.A.

Condensed Balance Sheet as per December 31, 1987	ASSETS		LIABILITIES	
	in millions of DM	previous year	in millions of DM	previous year
	5,077.5	4,480.5	Amounts due to banks	7,226.9
	3,466.4	4,105.8	Current deposits and other accounts	1,515.4
	1,102.9	834.8	Other liabilities	307.8
	392.0	297.2	Share capital	125.5
	10,038.8	9,718.3	Reserves	224.8
			Provisions	625.8
			Profit	12.6
				10,038.8
				9,718.3

The unbridged annual statement as well as the profit and loss accounts will be published in the "MEMORIAL, Annuair des Grossherzogtums Luxemburg, Ausgabe C" (Official Gazette of the Grand Duchy of Luxembourg, edition C).



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# U.S. Accuses Mozambique Rebels of Terrorism

By Caryle Murphy  
Washington Post Service  
WASHINGTON — A South African-backed rebel movement in Mozambique is waging a reign of terror against unarmed civilians involving random and brutal killings, slave labor, forced marches and starvation, according to a report made public on Wednesday by the State Department.

The report said rebel actions

may have resulted in at least 100,000 deaths over the last two years.

The report, based on recent interviews with Mozambicans who fled the conflict — some arriving in refugee camps enclaved and clad only in rags or tree bark — was the first systematic effort to substantiate reports of atrocities by the Mozambique National Resistance Movement, known as Renamo, in

its 10-year effort to bring down the Marxist government of Mozambique.

The refugees, who are among about 872,000 living outside their homeland, paint a picture of a guerrilla group senselessly and systematically slaughtering civilians without provocation and with no attempt to proselytize among the population or win its support, according to the report.

"It's in a category by itself," said a State Department official. "I've never seen anything like it in Africa."

But Louis Serapiao, Renamo's representative in Washington, said that it was a biased report. "The State Department reports are being exaggerated," he said.

A South African Embassy spokesman said he had no comment on the report.

Pretoria denies supporting Renamo, but U.S. officials say there is evidence of continuing support for it from a sector of the South African military.

The support, they said, includes communications equipment, intelligence, sporadic shipments of small arms and assistance in the movement's international diplomatic efforts.



A U.S. Navy honor guard carries the coffin of Radioman 3d Class Angela Santos of Florida from a plane after its arrival in Dover, Delaware, on Tuesday. She died in a bombing in Naples on April 14.

## Drug Addiction Troubles Vietnam

By Barbara Crossette  
New York Times Service  
HO CHI MINH CITY — Narcotics addiction, once described by officials as an eradicable evil left over from the former Saigon regime, appears to be on the rise among the young in both southern and northern Vietnam.

In Hanoi, where narcotics use by young men and women began only recently, there are thought to be 50 or more illegal dens where opium and heroin are available. In Ho Chi Minh City, the police say there are several hundred points of sale and perhaps tens of thousands of intravenous drug abusers in the city of three million.

"Truck drivers are bringing drugs in from Laos and the addicts themselves are finding ways to smuggle narcotics from Thailand through Cambodia," Mr. Van said.

The official position is that addicts from the former regime are introducing young people to opium and heroin in order to bolster the market and support their own habits. But Mr. Van said that soldiers who have served in Cambodia and Laos are also among the addicts and dealers.

International narcotics agencies say there is evidence that Laotian government officials are involved in the trade.

Mr. Van said that for the first time, Vietnamese officials are considering poppy eradication within Vietnam, although opium is said to be produced only in the far northwestern corner of the country.

Huynh Son Phuoc, deputy editor of Tuoi Tre, which recently assigned a reporter to spend a day in Ho Chi Minh City's most active drug-dealing neighborhood, said the public is beginning to demand stronger laws and tougher police action against narcotics traffickers.

When prosecuted, dealers are often sentenced to only a year or two in prison, he said.

In the newspaper's account, headlined "24 Hours in the City's Biggest Narcotics Market," the reporter described addicts injecting themselves and dealers offering straighten narcotics in broad daylight in passageways and public toilets around the neighborhood of the city's bus terminal and the Ben Thanh market.

Most of those who inject drugs in Vietnam, among them relatively well-off young men and women in their 20s and 30s, use a liquefied opium solution, Mr. Van said. The Tuoi Tre report said that poorer people share the dealer's common need; others take the solution home and use their own needles.

Mr. Van, who walked a visitor through his treatment center in the Binh Trieu area of Ho Chi Minh City, appealed for help in getting copies of Western studies on narcotics abuse.

At Mr. Van's rehabilitation center, in a former Roman Catholic seminary, about 700 addicts are treated first through acupuncture to dull withdrawal pain, then are given massages, exercises, cold baths and medicinal herbs. Vocational training and extensive social and psychological counseling follow.

"We have three aims here," Mr. Van said. "We want to teach love and self-respect, hatred for the trafficker and faith in work and life. We need to replace one passion with another: the passion for life."

## Japanese Analysts Call Red Army A Fragmented and Ineffective Force

TOKYO — The Japanese Red Army, known for several hijackings and a Tel Aviv airport massacre in the 1970s, has split into tiny factions and is no longer capable of major terrorist activity, Japanese analysts and police officials say.

Italian investigators have said they suspect that members of the guerrilla group, now based in Lebanon, placed the car bomb outside a U.S. servicemen's club in Naples on April 14 that killed five persons and injured 15.

Acting on the reports of witnesses, Italy issued arrest warrants for two Red Army members, Junzo Okudaira and Fusako Shigenobu. Mrs. Shigenobu is believed to be one of the group's leaders.

But Tokyo analysts say that the group, which has been inactive in Japan for a decade, has dwindled to fewer than 20 members from a high of 200.

Individual members of the group, Japanese analysts suggest, might be capable of supplying bombs and technical assistance to allied terrorist groups.

Mr. Okudaira is the younger brother of Kozo Okudaira, one of three Japanese guerrillas recruited by the Popular Front for the Liberation of Palestine who killed 27

### Italian Police Recover Stolen Remains of Pope

L'AQUILA, Italy — The remains of Pope Celestine V, stolen from the Roman Catholic cathedral here Sunday, were found Wednesday in a plywood box hidden in the hollow of a cemetery wall about 30 kilometers (19 miles) away, the authorities said.

The mummified remains of the pope, who reigned in 1294 after a five-month reign, were pronounced in perfect condition after an examination by church officials. The police said they recovered the remains in the cemetery in Amatrice after following a group of suspects to the town, in central Italy. ANSA, the Italian news agency, said the suspects escaped as police concentrated on recovering the remains.

### Thai Bus Explosion Kills 21

BANGKOK — An explosion and fire on a bus killed 21 passengers Wednesday and injured several others in Nakhon Ratchasima Province in northeastern Thailand, the police said. They said the cause of the explosion was not immediately known.

### Japanese Analysts Call Red Army A Fragmented and Ineffective Force

loosely linked with Palestinian and other guerrilla groups in the Arab Imperialist International Brigade, an analyst said. He speculated that they, rather than the Red Army, may have had something to do with the Naples bombing.

Fingerprints of a Japanese Red Army member, Tsutomu Shirogami, were found in a Jakarta hotel used by guerrillas who fired rockets at the Japanese, Canadian and U.S. embassies. The brigade claimed responsibility for the attack.

The brigade also claimed responsibility for a series of similar attacks against the British and U.S. embassies in Rome.

The analyst said it was not clear how important the Japanese Red Army strength was within the brigade.

In the United States, investigators said last week they were checking into a possible connection between the group and a Japanese national arrested in New Jersey with three pipe bombs in his car.

## INTERNATIONAL POSITIONS

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مركزنا العربي

# Managua Talks: Feuding Family's Stiff Reunion

By Julia Preston  
Washington Post Service  
MANAGUA — The weekend talks between Nicaraguan government and rebel leaders was in part a history-making negotiation yet in part an uneasy reunion of a feuding family.

On Tuesday, at the end of four days of effort, there was a hardening of the underlying political positions. But this was buffered in part by the gathering, if only for these

## NEWS ANALYSIS

talks, of such divided families as the famous Chamorro journalists and the lesser-known Fasos, who played key roles on both sides. For once, barbs were flying between the warring sides instead of bullets.

Adolfo Calero, a conservative leader of the U.S.-backed rebels, known as contras, used the term "realpolitik" to describe the contras' first trip to Managua under the terms of a 60-day cease-fire accord signed March 23. "This is not a sentimental journey," Mr. Calero added later.

Alfredo César, another top political director of the Nicaraguan Resistance, the contra alliance, spelled out the rebels' rationale for negotiating. He argued that contra fighters have proven they have wide support from the peasantry, but without U.S. military aid could not hope to defeat the 80,000-troop

Sandinist army equipped by the Soviet Union. But, he added, the Sandinists cannot wipe out the guerrillas either.

"So the option would be a long war with many people killed and no side achieving victory," Mr. César said.

The contras also said they came to Managua to publicize their agenda and press the leftist government for democratic reforms to move Nicaragua away from Marxism and toward a liberal state.

Meanwhile, the Sandinist delegation, headed by Defense Minister Humberto Ortega Saavedra, asserted that the contras had been all but crushed on the battlefield. The Sandinists left no opening to consider the rebels' political concerns and seemed to regard them as a bothersome distraction in the discussions.

"There is no more elegant way to play for time than to talk about democracy in the abstract," Major General Joaquín Cuadra, General Ortega's second in command, commented.

The only announced result of this round was an agreement for another one, April 28.

President Daniel Ortega Saavedra, addressing a rally of many thousands of followers on Tuesday night, soothed the frustrated crowd by playing up alleged divisions among contra field commanders about the cease-fire agreement. The



Three leaders of the Nicaraguan guerrilla movement, from left, Pedro Joaquín Chamorro, Adolfo Calero and Alfredo César, in Miami after returning from talks in Managua to end the civil war.

government is unsure the political chiefs of the Nicaraguan Resistance can make their military men, particularly the supreme commander, Enrique Bermúdez, stick

to what they sign, Mr. Ortega said. There were signs of trouble in contra ranks. One of the five Nicaraguan Resistance directors, Aristides Sánchez, did not come to Managua. He is the link between the political directors and the field commanders, and was said by some guerrilla leaders to be harboring second thoughts about the accord he signed in March.

On Saturday, about 20 rebels tried to hold a press conference. But it broke down when Leda de Farralés, a contra, and Emigilio Suárez, a pro-Sandinist radio reporter, began accusing each other on live national radio of loyalties to the former regime of General Anastasio Somoza.

Mr. Suárez told Ms. Farralés she was an "assassin of children" and pointed out that he was living in Nicaragua, "suffering the war."

Pointing to Mr. Suárez's paunch, Ms. Farralés replied, "It's easy to see how you've suffered." Sandinist radio carried the many press appearances by government officials live but often turned off the microphones when the contras spoke.

A family reunion came among the Pasos sisters, María Pasos de Sacasa, who is based in Miami, was a spokeswoman for the contra delegation. Her sister Rosa is a Sandinist Army major and spokeswoman. María Isabel, the youngest, is a reporter for a Sandinist news agency.

María Isabel covered a press conference at which María called the Sandinists "totalitarian." Rosa introduced María to General Cuadra, then over coffee they exchanged gossip about nieces and nephews.

# Salvadoran Guerrillas Targeting Civilians

By James LeMoyne  
New York Times Service

SAN SALVADOR — Leftist guerrillas appear to have hardened their tactics in recent days by killing a mayor and two other civilians and warning that they will attack other civilian targets.

In a communiqué Monday, the guerrillas warned civilians that they would now attack restaurants and other places frequented by U.S. citizens and government officials, a broad category that includes many gathering places in San Salvador. The warning follows the rebels' first use of car bombs last month.

"Military actions will increase in the next months," the rebels said. A Salvadoran military official said the army had evidence that several rebel cells were now operating in San Salvador and probably would carry out attacks soon.

The guerrillas of the Farabundo Martí National Liberation Front took responsibility for the killing over the weekend of Peuro Ventura, a village mayor. According to local press reports, witnesses said the rebels shot Mr. Ventura, 55, in front of his wife and children.

The rebels said in a communiqué that Mr. Ventura, who was re-elected mayor last month for the rightist Nationalist Republican Alliance, had defied their order not to run in the elections and so had been "executed."

The guerrillas also claimed to have "executed" two civilians because they were suspected of theft and spying. In recent months the guerrillas have killed another mayor, kidnapped others and killed or wounded more than 20 civilians by attacking civilian vehicles, by exploding bombs and by planting mines in the countryside.

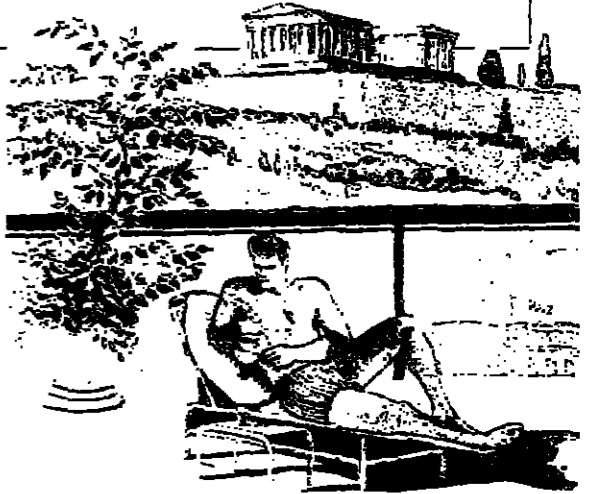
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# Polish Jew Annoys Friend and Foe In Marking Warsaw Ghetto Uprising

By John Tagliabue  
New York Times Service

WARSAW — Marek Edelman is an uncomfortable man. For one thing, there is his history. In 1943, when the tide turned against Hitler's armies, and the decision came to raze the Warsaw ghetto, he was the 22-year-old deputy commander of the desperate Jews who challenged German might by taking up arms.

Unlike most survivors, Dr. Edelman, now a distinguished cardiologist, chose to stay in Poland. More than that, though, he is a man who says things simply and unmistakably. In a 1976 interview he bristled at the notion that the millions of Jews who did not rebel against the Nazis somehow betrayed their dignity. He thus appeared to dismantle the idea that the resistance fighters had been the real heroes.

"Those people went quietly and with dignity," he said. "It is a horrendous thing when one is going so quietly to one's death. It is infinitely more difficult than to go out shooting."

Dr. Edelman is causing severe discomfort these days. He is at the center of a series of unofficial events to commemorate the ghetto uprising, events that have annoyed both the Polish leadership and Jewish representatives from Israel and elsewhere who have been permitted to flock to Poland to mark the 45th anniversary.

Over the weekend, the 67-year-old physician mingled with Polish opposition leaders like Adam Michnik, an essayist, and Jan Józef Lipiński, a historian, to dedicate a monument to two Jewish Bund leaders who were executed by Stalin in 1941 for protesting the Soviet invasion of eastern Poland.

General Wojciech Jaruzelski's government, loyal to the Soviet ally, was not delighted with the modest red granite stone bearing the names of Henryk Erlich and Wiktor Alter, Jews and fiercely loyal Poles who were executed on trumped-up charges of espionage for Nazi Germany. It is probably the first monument anywhere in the Eastern bloc to socialist slain by Stalin.

What chiefly irks the government and the Jewish visitors is that Dr. Edelman's project for alternative events has upset a discreet agreement by the two sides, under which Jewish representatives helped diminish General Jaruzelski's image as international pariah, by meeting with him in New York three years ago, at a time when he was being stunned for his crack-down on the Solidarity trade union.

Against General Jaruzelski's government he fiercely defends the right of independent recollection. "This commemoration of the ghetto must not only take place under the banner of the state," he said. "Society has a right to express its honor for the ghetto uprising."

The Polish government has denounced the independent events as political grandstanding. Israeli and other Jewish representatives, except for a handful of Jewish Bund veterans from the United States and Canada, assiduously avoided them.

For the Polish government, the entanglement with Dr. Edelman is nothing new. In 1980, he became active in the Solidarity movement, a role he continues to play.

Three years later, he called for a boycott of government-sponsored ceremonies to mark the 40th anniversary of the ghetto uprising, saying attendance would be "an act of cynicism and contempt" in light of the suppression of the Solidarity movement.

This year, to lure him into the official ceremonies, the government offered him Poland's highest decoration for military valor, Dr. Edelman turned it down.

Those who know the silver-haired physician say that in a sense the love for Solidarity springs from his rediscovery there of the closeness and ideals of the wartime comrades.

That view appeared to find confirmation in words Edelman spoke Sunday, when he stood on a mound in front of the low red stone in the silted Jewish cemetery.

"They are dead, but their ideals live on," he said, eulogizing the two Bund leaders. "Organized freedom movements were established in Poland. The Committee for the Defense of Workers, and from its initiative the Solidarity union, with its many millions of members, was born. It is true that over seven years ago it was suppressed, but it continues on in spite of all difficulties, fighting for a free and independent Poland in which all working people will be equal."

For Dr. Edelman, the criticism from both establishments rang hollow, as he insisted that for each

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QUEEN ELIZABETH 2 A MEMBER OF THE TRAVELER GROUP

# House for Chun Shown in Seoul

Agence France-Press

SEOUL — A luxurious house said to have been intended for former President Chun Doo Hwan has been opened to Korean reporters, newspapers here reported.

The house, built on a secluded eight-hectare (20-acre) lot in the grounds of the Ilhae research institute set up by Mr. Chun near Seoul, was decorated with Korean antiques and included a tennis court and a large indoor swimming pool, the reports said Tuesday.

Mr. Chun is a former general who ended a seven-year term of office in February. The opposition is demanding that he be investigated for corruption. He has denied the allegations.

Mr. Chun recently resigned as chairman of the Advisory Council of Elder Statesmen after his brother was arrested for embezzlement.

# Sudanese Rebels Kill 55 Soldiers in Ambush

Reuters

KHARTOUM, Sudan — Rebels in south Sudan killed 55 soldiers but sustained 500 casualties when they ambushed an army column between the towns of Malakal and Nasir in the Upper Nile region, al-Ayyam, an independent newspaper, said Wednesday.

Quoting officials, the newspaper said 500 rebels of the Sudan People's Liberation Army were killed in the fighting on Sunday before the rest fled to an area near the Ethiopian border. Five army officers were among the dead, it added.

# Army Active Force

...gela Santos of Florida from bombing in Naples on April 14

...sely linked with Palestinian and other guerrilla groups in the Imperialist International Brigade, he said. He speculated that they may have had something to do with the Naples bombing.

Fingerprints of a Japanese Army member, Tsutomu Shimomura, were found in a Jakarta hotel used by guerrillas who fired rockets at the Japanese, Canadian and U.S. embassies. The brigade claimed responsibility for the attack.

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Table with multiple columns and rows, likely a financial or market data table. Headers are partially visible but illegible.

# N.Y. Campaign Earns Mixed Reviews

By Frank Lynn  
New York Times Service

NEW YORK — New York Democratic politicians, in assessing the party's primary election campaign, gave the most bouquets to the Reverend Jesse L. Jackson and the most brickbats to Senator Albert Gore Jr. of Tennessee and the "fourth candidate" in the race, Mayor Edward I. Koch.

Governor Michael S. Dukakis of Massachusetts was generally praised for a positive campaign that allowed him to stay above the squabbling over Mr. Jackson, although there also was mild criticism for the governor's "coasting" or playing it safe.

Most of the praise for Mr. Jackson centered on his organization and his "turning the other cheek" to the attacks from Mr. Koch.

Governor Mario M. Cuomo, publicly neutral in the race, declined to be interviewed for his appraisal. But Mr. Koch, a Gore supporter, said: "I think Al Gore regrettably wasn't adequately

funded to get his message across." The mayor's own role? "I don't know whether I helped or hurt," he said.

The mayor also said that Mr. Jackson had "buffaloed" reporters with nonresponsive answers to questions.

As for Mr. Dukakis, the mayor said: "I think there is a feeling that he is coasting; that's going to hurt him when he runs against Bush. You have to want the job, you have to show it."

Mel Miller, the speaker of the New York Assembly and the ranking Democratic legislator in the state, nearly endorsed Mr. Gore. But in the end the speaker stayed neutral. Mr. Gore "floundered and started to run against his own record," Mr. Miller said.

Paul Bograd, the Dukakis campaign manager in New York, said: "This has been one of the ugliest chapters in politics." He said that Mr. Jackson "ran a damn good campaign, technically in maximizing his vote and, like us, not being

drawn into the low road." He said that Mr. Gore had made "a litany of mistakes" that "ended up with Koch and culminated in him disavowing Koch."

Mark Green, the 1986 Democratic Senate candidate, who was neutral, said, "Koch played with matches in a TNT factory." He added that the mayor had been "rubbed salt in black-Jewish wounds, polarized the city and probably caused himself *tsuris* next year." "Tsuris" is Yiddish for "trouble," and the mayor has said he will seek a fourth term in 1989.

Assemblyman Herman D. Farrell, the Manhattan Democratic leader, who backed Mr. Jackson, said "Koch has made the city look totally racist. I don't know if it will come back to haunt him, but it will come back to haunt the city."

Stanley Hill, the labor leader who was state co-chairman of the Jackson campaign, said: "Our biggest strength was our candidate. This guy has energized people." He

added that it would not have been "productive" for Mr. Jackson to meet with Jewish groups before the primary, because many had "closed minds."

John A. Marino, executive director of the Democratic State Committee, a Cuomo associate who was publicly neutral, said: "The Jackson campaign was wonderfully done. I would have done exactly what he did."

Mr. Gore's initial "negative campaign was a mistake, and appealing to only one group was a mistake," he said. Mr. Koch? "He didn't help."

David Garth, the Gore advertising consultant and longtime associate of the mayor, said, "It was like a campaign with emphysema," a reference to a Gore advertising budget of \$750,000 in New York. "Gore also suffered from the beat-Jackson syndrome." The mayor? "There's good news, and there's bad news," Mr. Garth said. "Koch gave us a boost at the start, but in the end he may have pushed some people to Dukakis."



Prime Minister Yitzhak Shamir at a memorial service in Jerusalem on Wednesday for the soldiers killed in Israel's wars.

## VOTE: Jackson Says He's in Race to the Last Primary ASSESS: Dukakis Favored

(Continued from Page 1)

cautious, saying "nothing in this world" is certain.

But his victory was considered a major step toward obtaining the nomination.

New York voters gave Mr. Dukakis 51 percent of the popular vote, Mr. Jackson 37 percent, Senator Albert Gore Jr. of Tennessee 10 percent and Senator Paul Simon of Illinois 1 percent.

Of the 25 delegates from New York at stake, Mr. Dukakis won 164, Mr. Jackson 89, Mr. Gore 2 and Mr. Simon none.

On Wednesday, Mr. Dukakis had a total of 1,063.15 delegates, more than half of the 2,082 he needs to win the nomination, according to a count by The Associated Press. Mr. Jackson had 841.1 delegates and Mr. Gore 421.55.

Mr. Simon has suspended his campaign. With aides to Mr. Gore signaling that their candidate would do likewise Thursday, Mr. Dukakis is likely to face only Mr. Jackson in the upcoming primaries. Polls give Mr. Dukakis the advantage in the contest in Pennsylvania on Tuesday and in Ohio and Indiana a week later.

Vice President George Bush easily won on the Republican side in the New York primary, where he ran virtually unopposed. He got almost all of the 134 delegates at stake. He is now only nominally opposed for the Republican nomination by Pat Robertson, the former television evangelist.

On Wednesday, Mr. Jackson said it was too early for him to consider a nomination for the vice presidency. "Let's wait until June 8

to make that kind of judgment," he said, referring to the day after the last major primaries are scheduled. "We're very much in this race. We expect great things to happen."

Mr. Jackson praised Mr. Dukakis for running a "credible and decent" campaign amid the racial and religious anger that characterized the contest. He congratulated Mr. Dukakis for resisting the "temptation to take the campaign to the gutter."

Of the New York campaign, he said, "In this case you had a mayor with a strong supporting cast who led the drive using race and religion as a litmus test."

Mayor Edward I. Koch of New York, who supported Mr. Gore, harshly criticized Mr. Jackson during the primary campaign. The voting Tuesday ended what had been one of the most bitter campaigns among the Democratic primaries. The discord had more to do with what Mr. Koch said about Mr. Jackson than with comments among the three candidates.

The mayor criticized Mr. Jackson from the beginning of the campaign to the end. He declared that Jews and friends of Israel would be "crazy" to back Mr. Jackson who, the mayor charged, misrepresented his actions on the day the Reverend Martin Luther King Jr. was killed 20 years ago.

The criticisms by Mr. Koch unleashed an angry reaction among blacks and many liberal whites, who said the comments further divided a city that was racially polarized. The actions by Mr. Koch renewed talk among blacks and

liberals of an effort to find a candidate to run against him in city elections next year.

Mr. Koch later acknowledged his verbal assault on Mr. Jackson had been a mistake and had not helped Mr. Gore.

Mr. Dukakis overwhelmed Mr. Jackson in the suburbs of New York City and upstate. But Mr. Jackson outpolled Mr. Dukakis in New York City by about 6,000 votes out of roughly 900,000 cast.

According to a New York Times-CBS News Poll of 2,100 voters leaving their polling places, Mr. Jackson won 93 percent of black votes, up from 85 percent four years ago. He also won 15 percent of the ballots of whites, who gave him only 6 percent of their votes last time.

But in a contest turned bitter by its emphasis on race and religion, Mr. Dukakis won overwhelming margins among whites. Mr. Dukakis ran especially well among Jewish voters, getting 77 percent of their votes to 16 percent for Mr. Gore and 7 percent for Mr. Jackson.

The poll suggested that many whites, particularly Jews, backed Mr. Dukakis mainly to defeat Mr. Jackson.

Only about 45 percent of those who voted for Mr. Dukakis said they supported him strongly; roughly 50 percent said they backed him with reservations or voted for him to stop another candidate. Nearly 70 percent of the unenthusiastic supporters of Mr. Dukakis had unfavorable views of Mr. Jackson. (AP, UPI, NYT)

ers continue to treat him in a way he considers evenhanded.

Apart from the primaries, Mr. Dukakis should be able to generate additional momentum by gaining support among the so-called super-delegates, more than 600 public and party officials who will be given automatic votes at the convention. Key members of his staff had predicted that victory in New York would bring a harvest of 100 or more endorsements from super-delegates, and other politicians considered that a good possibility.

From a post-New York perspective, it seems clear, as it did not at the time, that Super Tuesday provided the indispensable platform on which Mr. Dukakis has built.

From that point on, it was more or less clear that Mr. Jackson was in the race to stay, with his special assets of overwhelming support in the black community and far greater oratorical intensity than any of his adversaries. What was not fully clear until New Yorkers cast their ballots was whether Mr. Dukakis would be able to keep Mr. Gore in check or whether the two would compete so evenly that the door would be opened to a Jackson triumph.

**Hawke to Visit Washington**  
United Press International  
WASHINGTON — President Ronald Reagan has invited Prime Minister Bob Hawke of Australia for an official visit to Washington.

## Israel Celebrates, but Protests Continue

By John Kifner  
New York Times Service

JERUSALEM — In old battlefields, in cemeteries, in the schools they attended and at the Western Wall, the most sacred Jewish site, Israelis remembered their 16,450 war dead on Wednesday as a three-day holiday began marking the 40th year of independence.

But the celebrations of Israel's triumphs was marred this year by the shadow of the uprising, the protests by Palestinians from the occupied West Bank and Gaza Strip demanding their own state, now well into a fifth month.

Prime Minister Yitzhak Shamir, in ceremonies honoring the Israeli Army, referred to the role the army has been playing in suppressing the Palestinian protests, saying: "We can tell that they know what they are doing now is just as important for the country's future as anything they have done in the past and we are just as proud of them now as we were then."

On Tuesday night, the army sealed off all of the territories won in the 1967 Arab-Israeli war, except East Jerusalem, forbidding entrance to Israel by Arabs from the occupied territories until further

notice. Roadblocks on the major highways turned back Arabs coming in and journalists going out.

Much of the Palestinian population was being kept indoors again, with 21 of the 27 refugee districts being kept under curfew in hopes of preventing any outbursts of demonstrations over the funeral in Damascus on Wednesday of the military chief of the Palestine Liberation organization, Khalil al-Wazir, widely known as Abu Jihad.

At least one Palestinian was reported shot to death during a clash in the Gaza Strip between stone-throwing protesters and the army in the Nuseirat refugee district. Information from the occupied territories was limited because of the army's actions, but scattered disturbances and some injuries were reported in Gaza and on the West Bank.

Mr. Wazir's death in Tunis early Saturday morning in a hail of machine gunfire from an assassination squad that burst into his villa and then escaped is widely presumed to have been the work of a clandestine Israeli team made up of Mossad agents, naval commandoes skilled in landing small boats and a special

elite army commando unit reporting directly to the General Staff.

Israel officials, however, have publicly maintained silence. News of the slaying sparked widespread Palestinian protests on Saturday, in which 14 Palestinians were shot and killed.

A long wall of sirens at the stroke of 11 on Wednesday morning marked the tribute to the soldiers, sailors, aviators and security men who died establishing and defending the country.

Independence Day formally began on Wednesday night — the two holidays are linked as a reminder of the price paid for the country — with the lighting of twelve beacons on Mount Herzl, symbolizing phrases in the Declaration of Independence.

For many Thursdays would be spent with families and friends, in the relatively recent tradition of barbecues. On Wednesday night, the streets in central Jerusalem were aswarm with young people engaged in another tradition, hitting each other and anyone else in range over the head with harmless plastic hammers that make a squawking sound.

But, where many of the speeches

and the lengthy commemorative articles in Wednesday's papers would normally have been filled with congratulation and celebration, instead they reflected the current challenge of the Palestinian unrest and, in some cases, uncertainty.

Defense Minister Yitzhak Rabin, speaking at the main memorial ceremony on Wednesday, said that "we know this is one long war that our enemies have forced upon us."

**Shiite Guerrillas Killed**  
Israeli-backed militiamen killed two Shiite Muslim guerrillas in a gun battle in southern Lebanon early Wednesday, The Associated Press reported from Beirut.

A police spokesman said the militiamen of the South Lebanon Army ambushed six guerrillas as they prepared to launch an attack south of Jezzine.

**2 East Germans Row to West**  
Reuters  
HAMBURG — Two East German men paddled 56 kilometers (about 35 miles) from Mecklenburg to the West German island of Fehmarn.

## TWO LIVELY CENTENNIAL BOOKS TRACE THE SPIRITED HISTORY OF THE INTERNATIONAL HERALD TRIBUNE.

Describing a century of dramatic news and how it was reported.

**"THE INTERNATIONAL HERALD TRIBUNE: THE FIRST HUNDRED YEARS"** is the unique, full-length history of the world's first international newspaper. Author Charles Robertson, a professor of government at Smith College in Massachusetts, spent several years combing through the paper's archives, interviewing its personnel (both active and retired) and then assembling a vast range of materials into a history that reads like biography — the life story of a venerable but still rapidly changing institution.

The paper's full story is presented here: its colorful roots in Paris of the Belle Epoque, its defiant refusal to leave Paris during World War I, its place in the lives of the "Lost Generation" of Americans drawn to Paris in the 1920's, its dramatic closure and exhilarating revival in the 1940's, its transformation into a global newspaper in more recent years.

Robertson's compelling narrative is written with an acute sense of history and a flair for telling detail. Complete with photos, this is a book you will be proud to own and fascinated to read.

*Hardcover, 472 pages, 23 black-and-white photos. Published by Columbia University Press (N.Y.).*

**"A CENTURY OF NEWS"** reprints the liveliest, most important, most interesting pages from the Herald Tribune's archives. The book's large size (36.3 cm X 26 cm) allows for excellent reproduction and makes each story easy to follow. In these pages, you will be able to witness the events of the century from the same perspective as did the original readers.

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Preceded by Art Buchwald's riotous introduction, these reproduced texts are not limited to front pages, but include detailed coverage of major events, interviews and features. The material is organized by decades, with introductory essays by Bruce Singer, who also compiled the book, setting the stage for each section (and explaining briefly how the Herald Tribune evolved during the period). In addition, a display of advertisements from the era provides a nostalgic and often amusing ending for each chapter.

"A Century of News" is a book readers will browse in again and again, each time discovering something new and rewarding.

*Hardcover, 192 pages, 188 pages of reproductions and illustrations. Published with Thames & Hudson (London) and Harry N. Abrams (N.Y.).*

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SCIENCE

Swarms of Locusts Threatening North Africa

By Paul Delaney

TUNIS — Treating it as an invading army, Tunisia, Algeria and Morocco have mobilized to fight the most serious infestation of locusts in over 30 years.

Billions of the insects have already caused extensive damage to crops and are threatening to inflict great harm to the delicate economies of North Africa. Millions of dollars have been spent in the effort, and much more — \$150 million, one official estimated — will be required from meager treasuries.

The invasion is drawing increasing worry from southern European countries, too. They fear the highly unpredictable and mobile insects will be carried across the Mediterranean Sea if not stopped in North Africa.

The European Parliament has urged members to help, and the European Community has contributed \$2.5 million. Aid is being provided by at least a dozen institutions and countries, including the United States, Canada and the United Nations.

The locusts are an immediate threat to this city. Millions are within a few miles; a few have been spotted on lawns and swarming about. But the biggest concentrations in Tunisia are southwest of here, breeding and swarming, waiting to travel wherever air currents push them.

Millions more are concentrated in the Atlas Mountains in Morocco where high peaks have acted as a barrier to their advance toward the country's breadbasket

and the cities of Casablanca, Rabat, Fez and Marrakech. "We are in a state of general alert," said Edouard Saouma, director general of the United Nations Food and Agriculture Organization. "Swift and decisive action is needed to avoid a major regional food crisis."

There are also high concentrations of the locusts in the desert of Algeria. Experts say the normal pattern would be for the locusts to turn east and head back this way, threatening this country more as well as others. Some of the insects have also been spotted in Italy and Malta in recent weeks.

The threat has forced some neighboring countries who have not enjoyed the best of relations into closer cooperation, though not as close as some officials believe is necessary. Algeria and Morocco have momentarily put aside their differences over the Polisario war in the Western Sahara to join in the effort to stem the spread.

A Moroccan official said the nations of the region were discussing establishing a permanent agency specially trained in the latest techniques and utilizing the most modern equipment to battle the locusts.

Representatives of the three countries, along with those from Libya and Mauritania, have held meetings, although some backbiting has been evident. For example, officials of each have questioned if the others are making enough of an effort.

In Tunisia, the government has set up a central coordinating committee and what is in effect a war room, or command center. The committee of officials from such offices as the Agriculture and Interior minist-



The situation changes daily, depending on the weather, the temperature, wind velocity and direction," remarked an army captain. "They move during the day, not at night. We attack them with insecticide on the ground at night and in the air during the day. We have enough equipment and

insecticide at present to stop them, if there are no new concentrations, but there are a lot of them in Algeria ready to head this way."

One expert said he believed that 90 percent of all the locusts in the world were now in North Africa. An official of the Agency for International Development explained that the locusts were part of a normal, continuing cycle that originated in India and Pakistan and headed west over Africa and then back east, breeding and devouring crops.

Millions, sometimes billions of locusts take to the air, usually in the morning, forming what resemble storm clouds that can blot out the sky.

Two years ago, they were a major threat to East Africa, although the number was far lower than this year's outbreak. Civil strife in several of the countries, Sudan and Ethiopia, for example, hampered efforts to control the insects.

"Small numbers are no threat," the AID official said in Rabat. "But given the right climatic condition, they breed like heck, become gregarious, multiply and migrate. Every 10 to 15 years a combination of weather factors favors breeding."

"There's been tremendous rainfall this year in areas that only get a few crops normally. They were a serious problem last year between October and January. But given the numbers this year, things are really bad." Officials fear that after the locusts feed on plentiful vegetation this year, they will continue to be unusually abundant for years to come.

continue

of the lengthy commemorative ceremonies in Wednesday's papers could normally have been filled with congratulation and celebration, instead they reflected the current challenge of the Palestinian unrest and, in some cases, uncertainty.

Defense Minister Yitzhak Rabin, speaking at the main memorial ceremony on Wednesday, said that we know this is one long war that our enemies have forced upon us.

2 East Germans Row to West

HAMBURG — Two East German men paddled 36 kilometers (about 35 miles) from Mecklenburg to the West German island of Fohren...

Intercepting an Unwanted Messenger. Genes, small segments of DNA, contain the blueprints for proteins. When a gene is active, enzymes in a cell make a single-stranded copy of the gene, known as messenger RNA, that leaves the cell nucleus and carries instructions for the formation of a protein. In cancer cells, genes cause production of proteins that make cells grow too fast.

A New Chemotherapy for Cancer? By Gina Kolata. SMALL but growing group of cancer researchers is hoping to develop a radically new form of cancer chemotherapy. Instead of looking for better ways to kill cancer cells, these scientists are seeking to block the genes that make the cells proliferate wildly.

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IN BRIEF Acid Moss Linked to Tree Deaths WASHINGTON (WP) — It isn't always acid rain itself that kills trees, a University of Colorado scientist has found.

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Lightning Makes Nitrogen Usable WASHINGTON (WP) — Scientists appear to have answered finally one of those basic, simple questions about how the world works that has long eluded them: What is the source of the nitrogen compounds that living things need to survive?

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Hostilities in the Gulf

The Larger Purpose

On all counts but one, the U.S. military action in the Gulf was a success. It was a necessary response to a provocative act of Iranian mine-laying...

The Right Response

Based on what is known, Washington appears to have responded correctly to Iran's renewed mining of Gulf sea-lanes. The U.S. naval attack on the Iranian oil platforms seems a proportionate response...

Virtuoso of the Center

No way, people all along have said about Michael Dukakis. No charisma. No color. Not even any passionate positions. Just platitudes like "Strength, experience and ability..."

Other Comment

Waiting for the Tooth Fairy
The American political system carries a "for sale" sign. Winning office more often than not comes down to money, not ideas.

continue to put a narrow interest in appeasing Iran ahead of the obligation they assumed to join the United States and others in imposing an arms embargo on Iran for its rejection of a UN cease-fire.

fit the administration by demonstrating U.S. unity. It is also a way of making legislators share political responsibility. Instead of the White House announcing the measure as unconstitutional.

With or without use of the War Powers Act, Iran ought not to expect to divide America. President Reagan blundered by secretly selling arms to Iran and botched the early days of U.S. naval buildup in the Gulf...

Who, Republican or Democrat, could object to goals like staying strong against terrorism, "good jobs at good wages," basic health insurance and a real war on drugs? Not much red meat for partisans there...

Perestroika and Cambodia
Hanoi has prevailed over the South and its neighbors. But that success has been offset by a bankrupt economy. Russia wants to cut its costs. It has better uses for scarce resources at home.

OPINION In the Gulf the Floating Targets Have Done Their Job

By James H. Webb Jr.

The writer was President Reagan's secretary of the navy from February 1987 until he resigned over policy differences in February this year.

WASHINGTON—The exchange of hostilities in the Gulf on Monday reminds us of three recurring truisms that have yet to be resolved in American security policy. The first is that we proceed from crisis to crisis without clearly stated national goals...

The U.S. Fleet Can Always Sail Away—or Can It?

By William Pfaff

PARIS—The essence of naval power is mobility, and this is a basic reason for the strong bipartisan support in the United States for U.S. naval reprisals against Iran's attacks on shipping in the Gulf. People take it for granted that the United States is not making irreversible commitments...

the U.S. intervention in the Gulf. Defense Secretary Frank Carlucci said again on Monday that "we hope that Iran will draw the appropriate lesson from this [reprisal] and cease its attacks on peaceful international shipping in the Gulf."

Philippines: Feudal Inertia as Pressure Builds

By Stanley Karnow

MANILA—"Here is a land in which a few are spectacularly rich while the masses remain abjectly poor... where freedom and its blessings are a reality for a minority and an illusion for the many..."

which annexed the islands at the turn of the century, left a dramatically different legacy. American teachers taught English to the Filipinos, and American officials introduced the trappings of democratic institutions.

Democrats Reply: The Candidates Face the Nuclear Question

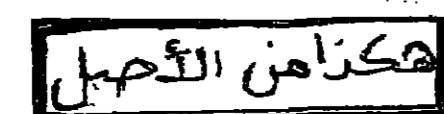
By Charles Martin

WASHINGTON—Two months ago, the Peace Commission of the Episcopal Diocese of Washington mailed a questionnaire to each presidential candidate. We asked them to answer four basic questions about nuclear weapons and arms control.

solution to a political problem. It will cost over a trillion dollars if pursued, and in the end will not produce a defense but an arms race in the heavens. Space-based weapons will generate counter-protective weapons which will generate first-strike space planes.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

Vertical sidebar containing various advertisements and notices, including 'Offer Prov...', 'L...', 'R...', 'Cross Rates', 'Other Dollars', 'Forward Rates', 'Key Money', and '1888: Roumanian Revolt'.





OPINION

Dukakis: Climbing the Hill One Ridge After the Other

By David S. Broder

NEW YORK — Andy Spano, the Westchester County clerk, has been around Democratic politics long enough to have a keen ear for the nuance of language. Six days before the New York presidential primary he told me, "The word you hear most often about Michael Dukakis is, 'He's acceptable.' That's not a kiss on the mouth, but I guess if enough people say you're acceptable, at some point you become inevitable."

He understands that persistence can carry you from being acceptable to being inevitable.

Democratic presidential nomination, having some massive gaffe on his part. Mr. Dukakis has moved through more than 40 contests, has eliminated six of his original seven challengers and has made himself a formidable contender for the general election without once rousing the emotions of an audience which did not contain large numbers of his fellow Greek-Americans.

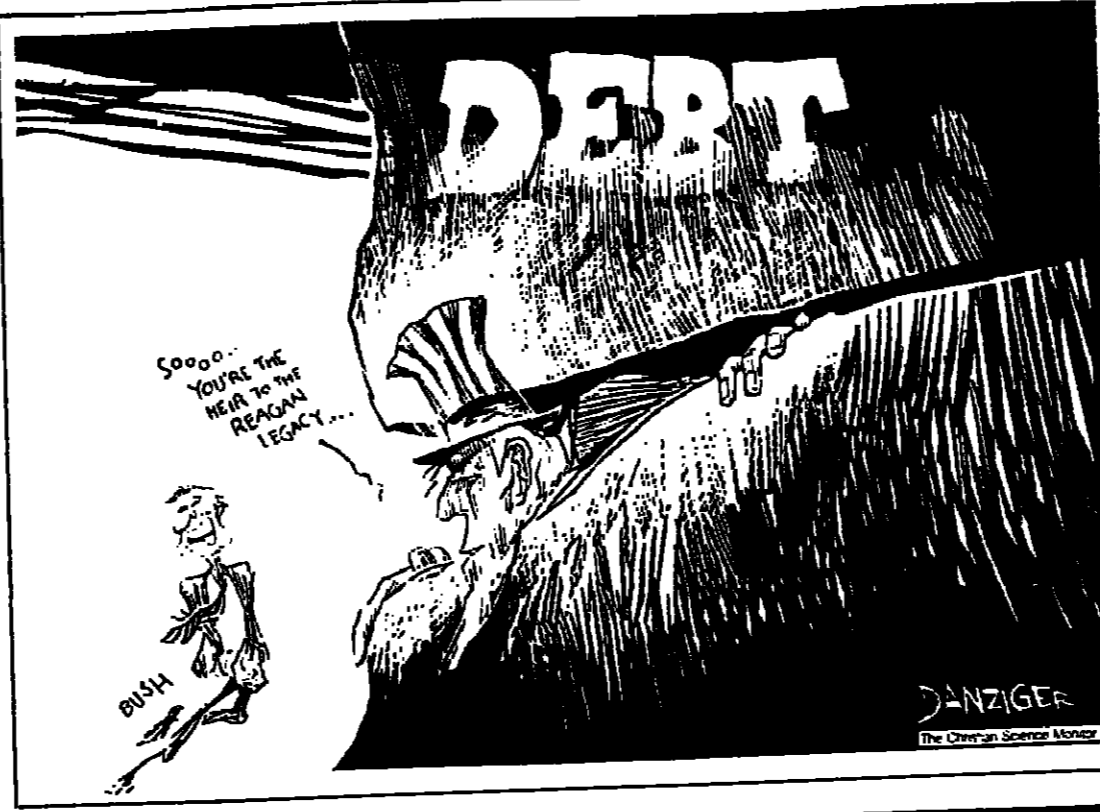
He said when he announced his candidacy last April 29 that the race was a marathon and he was a guy who had run the Boston marathon while still at Brookline High. To call him a plodder is to give him a label he may not cherish. But, in the words of the old refrain, he has won largely by "keepin' on keepin' on."

In retrospect, it is being said of Mr. Dukakis that he beat a field of mediocrities and that his victory was inevitable. They were not and it was not.

When he got into the race, Gary Hart was the front-runner and Mario Cuomo was the only man that many Democrats could see as an alternative. Mr. Hart dithered himself out of the race and Mr. Cuomo dithered so long that he never got into it. But that certainly did not make Mr. Dukakis the favorite.

He was a little guy with a big nose and the stereotypical presidential model. For a long while he trailed Jesse Jackson in the polls. His rivals were either private citizens or Capitol Hill legislators with unlimited passes, while he was a governor with a mischievous legislature who had to put in his hours at the State House every week.

The political calendar was stacked against him. The first contest, which would draw heavy media attention, was in Iowa, whose farm and rural issues were far outside the ken of a city boy like Mr. Dukakis. The biggest battleground was Super Tuesday in the South, where an ethnic liberal from Massachusetts might appear to be a fish out of water. In fact Mr. Dukakis was beaten a lot.



LETTERS TO THE EDITOR

People Beyond the Beltway

I was disturbed by a recent statement by Elliott Abrams, the U.S. assistant secretary of state for inter-American affairs, regarding U.S. sanctions against Panama's General Manuel Antonio Noriega.

Mr. Abrams expressed surprise that Mr. Noriega remains in power in Panama whereas Ferdinand Marcos of the Philippines and Jean-Claude Duvalier of Haiti fled under the pressure of U.S. economic sanctions similar to those currently being applied against Panama.

I am not familiar with events in Haiti, but as an American living in the Philippines I would like to point out that U.S. pressure was only one of the factors contributing to Mr. Marcos's overdue departure. If Filipinos had not filled the streets to prevent Mr. Marcos from using military force against the rebels in Camp Crame and Camp Aguinaldo, Mr. Marcos might still be president of the Philippines. U.S. pressure was helpful, but it was not the reason Mr. Marcos left Manila. He left because he had alienated the people to the point that they were willing to risk their lives to ensure his departure.

Another arrogant implication of Mr. Abrams's statement is that all Third World countries are alike and therefore react alike to U.S. policy initiatives. Let us hope that the failure of U.S. policy in Panama will cause Mr. Abrams to re-examine his assumptions and recognize that Third World countries have unique histories, people and leaders.

ROBERT S. TOWNSEND, Manila.

I was shocked by Elliott Abrams's cynical remarks concerning Panama. The attitude of the U.S. administration seems to be that it is the teacher and all other countries on Earth are pupils, whom their teacher reprimands and keeps under strict discipline. The United States is the police and all other countries are suspicious elements whom the police shadow. The United States is the judge and all the other countries are criminals. All the rules and laws are created by the United States.

Keep Them Accountable

Hypatia A. Vouroloumis (Letters, April 5) criticizes the American press and public for riding herd on leaders and their aides. As an American I am proud that governmental illegals are publicized. In most parts of the world they are not. If a society does not punish unlawful leaders, it is certainly not a democracy.

DAVID BECK, Venice.

Ozone and AIDS

Seeing editorials on the ozone shield and AIDS side by side (March 25), I had this thought: Ultraviolet light that is not screened out by the ozone shield may cause impairment of the immune system, but what is AIDS if not an immunity impairment?

WOLFGANG ZUCKERMAN, Quissac, France.

Skinned for the Fur of It

Regarding "Beastly Female Behavior Has a Fur-Wearer Greeting" (Meanwhile, April 8) by Yana Zeldis McDonough: While I agree that street abuse is not the way to achieve the goals of non-wearing persons, the writer misses the point. The slaughter of farm animals according to strictly regulated methods that ensure minimum suffering cannot be compared with the brutal killing of wild animals by means of traps that cause them pain for days, or of breeding wild animals in fur farms that in no way resemble their natural habitat.

AMELIA TARZI, Geneva.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Helping Out in a Poor City Can Make for a Rich Year

By Arthur Houser

BOGOTA — I left my apartment, less than a block from the U.S. Embassy here, to go to dinner. There was an explosion. Bomb, I thought immediately. A sudden change in the flow of traffic confirmed the suspicion. A missile, launched from a taxi parked on the corner where I buy the morning paper, had rocked the embassy. Dressed to blend into the crowd, in dark colors with a small cap and umbrella, I stood in the street surveying the damage. Slight.

Earlier the same day, in Ciudad Kennedy, a barrio of 1.5 million people southwest of central Bogota, student protests related violence in rural areas faster than jobs or services in the city can be provided. Seeking security, they find malnutrition, fear and more crime and violence.

Factions of revolutionary groups operate throughout the city, especially in the poorer areas such as Ciudad Kennedy, where anti-U.S. sentiment is rife.

Abused, abandoned children sleep in twos or threes inside doorways on pieces of cardboard, wrapped in plastic bags, often in a glue-sniffing stupor. "It used to be Americans couldn't come here at all. Now you're here, so things must be better," a colleague said of the barrio. I couldn't disagree with the logic, but things are hardly better.

Poverty is a compelling reason to be active in Colombian education. So is the joy of teaching students to love language, individuality and freedom of expression in a climate of fear and pressure to conform. So is the possibility of changing their perception of Americans, simply by demonstrating an appreciation for Colombian culture. Education is the dream that flies overhead, like a magic carpet, promising a better future.

The children, especially the younger ones, are enthusiastic, and at times their affection is almost overwhelming. They ask pointed questions. Why do Americans think average Colombians like criminals when they arrive in the United States? They do not see the logic in punishing honest citizens for the crimes of a tiny minority. After all, they say, the drug problem originates with a large U.S. demand filled by only a few Colombians.

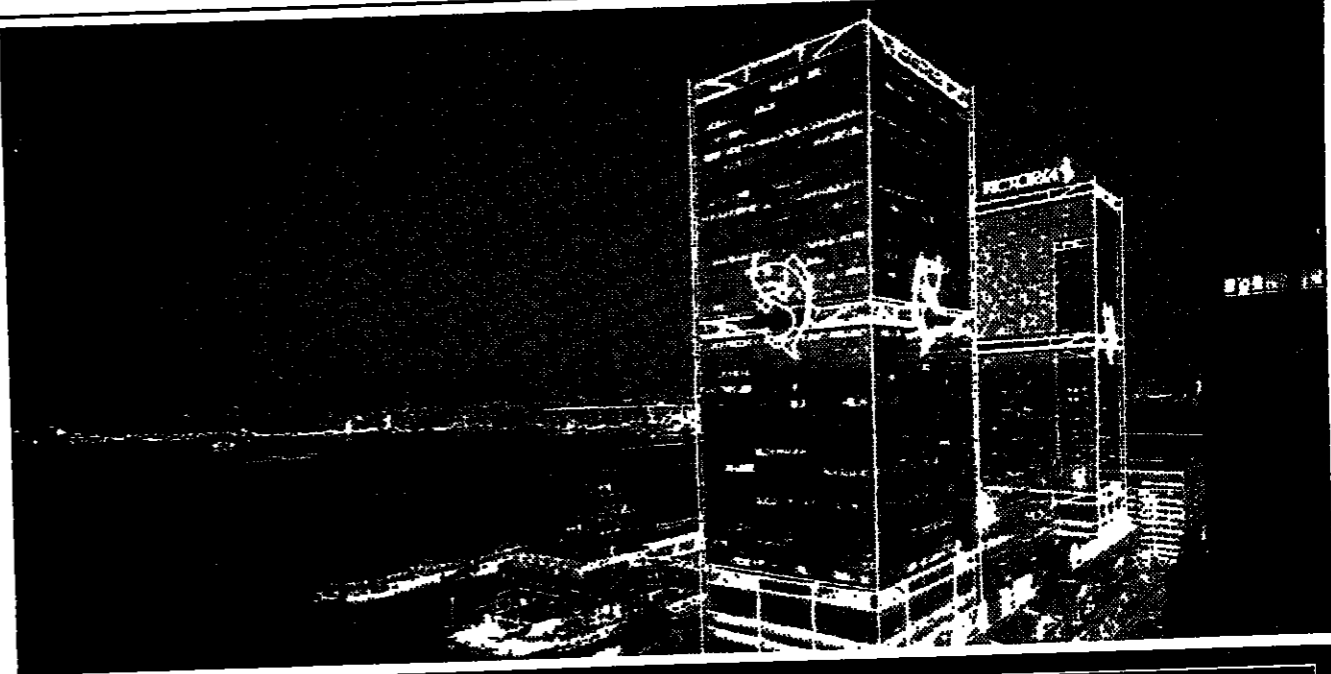
One of my seventh graders asked me how I felt when I saw graffiti saying, "Get out, Yankee robber." "I think I might feel the same if I were Colombian," I told him. "People are simply uninformed. Many drug dealers and many Colombians think all gringos are drug addicts."

Another student once asked me, "If you're from a country of well-to-do people, why do you enjoy teaching with people of a lower class?" I told her that all three children in my family had become teachers; we had been raised to want to be involved. And I reminded the students that every day they were teaching me more about Colombia and that they were largely responsible for "el año más rico de mi vida" — the best year of my life. Besides, they had learned a great deal of English. They should be proud, considering the odds against them. Less than 50 percent reach sixth grade, and by tenth grade only the cream of the crop remains. A sixth grade student scrawled these words on the bottom of a failed test: "Adios mi futuro!"

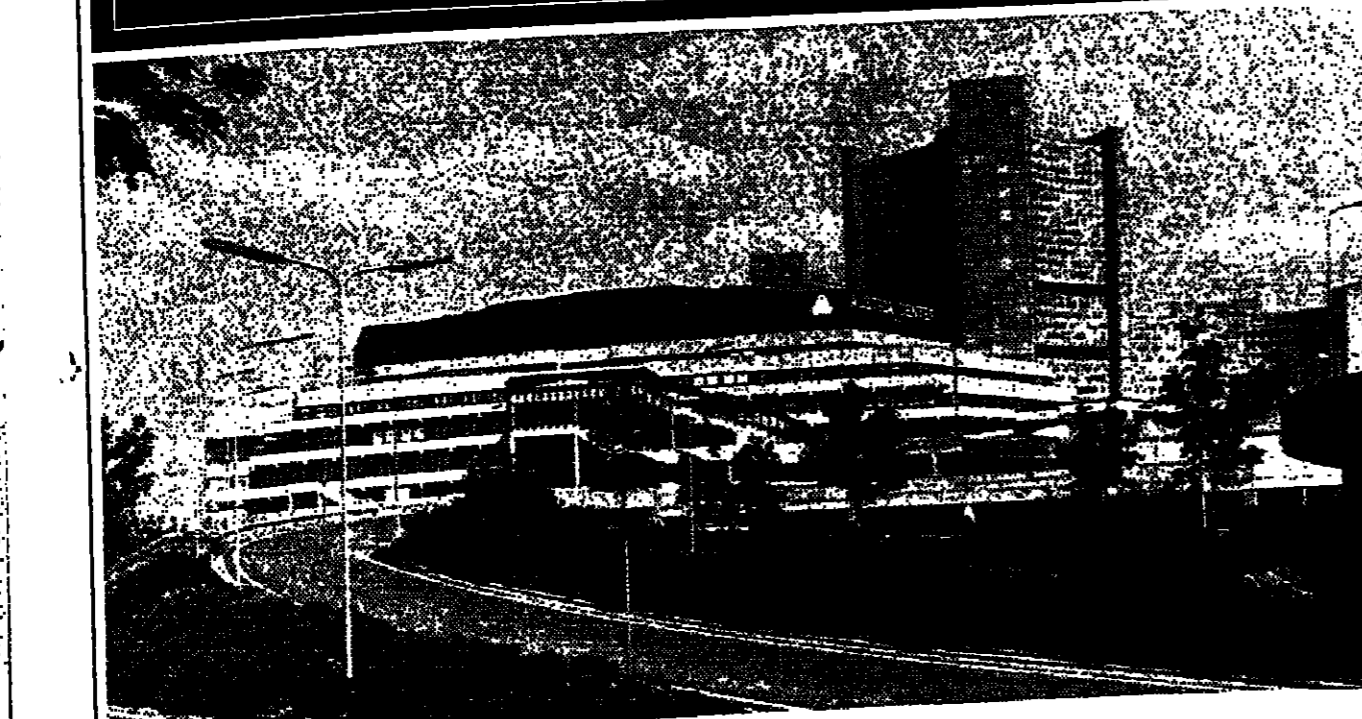
My students scoff loudest when I say, "Not only is teaching the most revolutionary work you can find, but I might be more revolutionary than some of you."

The writer is working in Colombia in a Fulbright exchange program. He contributed this comment to the Los Angeles Times.

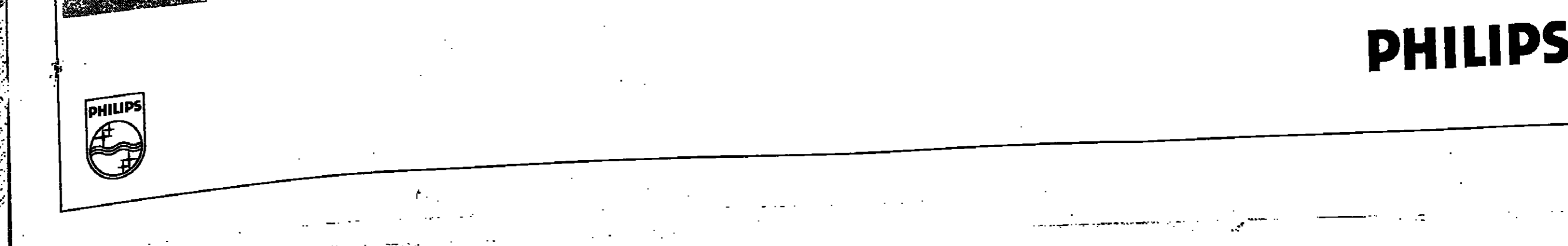
The new Shun Tak Centre and Macau Ferry Terminal complex, including the 870-room Hotel Victoria, is a striking example of innovative building technology. Its two 41-storey towers are among the tallest high-rise steel structures in Hong Kong. And the Macau Ferry Terminal, designed to handle up to 15 million passengers a year, is the world's busiest marine transport facility. The careful blending of function and aesthetics by the architect Spence Robinson is complemented with high technology lighting from Philips. Cost-effective lighting that combines excellent colour rendition with high light output, yet uses 30% less energy. And the integration of general and accent lighting enhances the futuristic functional design of this superior



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landmark. In conference centres, too, you will find Philips technology helping to create the right environment. The new Austria Centre in Vienna, with 14 conference halls and a total capacity of 9,000, is a fine example. Up to 4,000 delegates in the main hall can enjoy perfect conference conditions, thanks to a computerized directional sound system from Philips. In two other halls our multichannel reverberation systems tailor the acoustics for music, opera, theatre or speech. And to ensure the best in sound and vision, we supplied the Centre's colour TV studio, master antenna TV distribution system and staff intercom. Lighting, sound and vision technologies — perfected by Philips and applied in projects the world over. PHILIPS. THE SURE SIGN OF EXPERTISE WORLDWIDE. PHILIPS CORPORATE MARKETING COMMUNICATIONS, EINDHOVEN, THE NETHERLANDS.



NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
SecProc	2480	124	124	394	-116
GenTel	1775	20	20	20	-
IBM	1775	20	20	20	-
EastCo	1775	20	20	20	-
EastCo	1775	20	20	20	-
EastCo	1775	20	20	20	-
EastCo	1775	20	20	20	-
EastCo	1775	20	20	20	-
EastCo	1775	20	20	20	-
EastCo	1775	20	20	20	-

Market Sales	
NYSE 4 a.m. volume	147,890,600
NYSE prev. close	179,297,200
Amex 4 a.m. volume	17,100,000
Amex prev. close	17,100,000
OTC 4 a.m. volume	128,243,300
OTC prev. close	128,243,300
NYSE volume up	11,250,000
NYSE volume down	14,250,000
Amex volume up	2,250,000
Amex volume down	2,250,000
OTC volume up	n.d.
OTC volume down	n.d.

NYSE Index			
High	Low	Close	Chg.
Composite	144.96	145.32	-1.36
Industrial	144.96	145.32	-1.36
Finance	144.96	145.32	-1.36
Transport	144.96	145.32	-1.36
Energy	144.96	145.32	-1.36
Commodity	144.96	145.32	-1.36
Foreign	144.96	145.32	-1.36
Government	144.96	145.32	-1.36
Utilities	144.96	145.32	-1.36
Real Estate	144.96	145.32	-1.36

Wednesdays  
**NYSE**  
Closing  
Via The Associated Press

AMEX Diary			
Class	Prev.	Chg.	
Advanced	226	226	-
Unchanged	226	226	-
Total Issues	226	226	-
New Issues	226	226	-

NASDAQ Index			
Class	Prev.	Chg.	
Composite	2425	2425	-
Industrial	2425	2425	-
Finance	2425	2425	-
Transport	2425	2425	-
Energy	2425	2425	-
Commodity	2425	2425	-
Foreign	2425	2425	-
Government	2425	2425	-
Utilities	2425	2425	-
Real Estate	2425	2425	-

AMEX Most Actives					
Vol.	High	Low	Last	Chg.	
ICH	5486	64	64	64	-
TelAir	4700	14	14	14	-
GenTel	1775	20	20	20	-
IBM	1775	20	20	20	-
EastCo	1775	20	20	20	-
EastCo	1775	20	20	20	-
EastCo	1775	20	20	20	-
EastCo	1775	20	20	20	-
EastCo	1775	20	20	20	-
EastCo	1775	20	20	20	-

Dow Jones Bond Averages			
Class	Prev.	Chg.	
Bonds	102.72	102.72	-
Utilities	102.72	102.72	-
Industrials	102.72	102.72	-

NYSE Diary			
Class	Prev.	Chg.	
Advanced	48	48	-
Unchanged	189	189	-
Total Issues	237	237	-
New Issues	12	12	-

Odd-Lot Trading in N.Y.			
Buy	Sales	'82/81	
April 19	229,252	27,252	11.91
April 18	229,252	27,252	11.91
April 17	229,252	27,252	11.91
April 16	229,252	27,252	11.91
April 15	229,252	27,252	11.91
April 14	229,252	27,252	11.91
April 13	229,252	27,252	11.91
April 12	229,252	27,252	11.91
April 11	229,252	27,252	11.91
April 10	229,252	27,252	11.91
April 9	229,252	27,252	11.91
April 8	229,252	27,252	11.91
April 7	229,252	27,252	11.91
April 6	229,252	27,252	11.91
April 5	229,252	27,252	11.91
April 4	229,252	27,252	11.91
April 3	229,252	27,252	11.91
April 2	229,252	27,252	11.91
April 1	229,252	27,252	11.91

Dow Jones Averages				
Index	High	Low	Last	
Indus	1992.87	1985.43	1985.43	-1.49
Transp	154.47	154.23	154.23	-0.24
Comp	742.08	731.71	731.71	-1.02

Standard & Poor's Index			
Class	Prev.	Chg.	
Industrials	205.11	205.11	-0.17
Finance	205.11	205.11	-0.59
Transport	205.11	205.11	-0.59
Energy	205.11	205.11	-0.59
Commodity	205.11	205.11	-0.59
Foreign	205.11	205.11	-0.59
Government	205.11	205.11	-0.59
Utilities	205.11	205.11	-0.59
Real Estate	205.11	205.11	-0.59

NASDAQ Diary			
Class	Prev.	Chg.	
Advanced	226	226	-
Unchanged	226	226	-
Total Issues	226	226	-
New Issues	226	226	-

AMEX Stock Index					
High	Low	Close	Chg.		
High	297.92	297.92	-2.38		
Low	297.92	297.92	-2.38		
Close	297.92	297.92	-2.38		
Chg.	297.92	297.92	-2.38		

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

# NYSE Slips in Modest Trading

**NEW YORK** — Prices on the New York Stock Exchange retreated Wednesday in light trading as worries about inflation and the previous session's sharp reversal sent investors to the sidelines to await a change in the negative sentiment.

The Dow Jones industrial average fell 14.09 points to close at 1,985.41. The Dow had lost 8.62 Tuesday.

Declines led advances by more than a 2-1 ratio. Volume slipped to 147.59 million shares from the 161.91 million traded Tuesday.

Since the Dow reached its post-collapse high of 2,110.08 on April 12, it has fallen 125 points, with most of the decline coming in the 101-point plunge of the Dow on April 14 on a worse-than-expected merchandise trade deficit report.

"Tuesday's reversal points to the feebleness of the recent rally attempt," said Edward Nicolski, a technical analyst with Piper, Jaffray & Hopwood Inc. in Minneapolis. On Tuesday, the Dow lost an early 32-point gain to close lower.

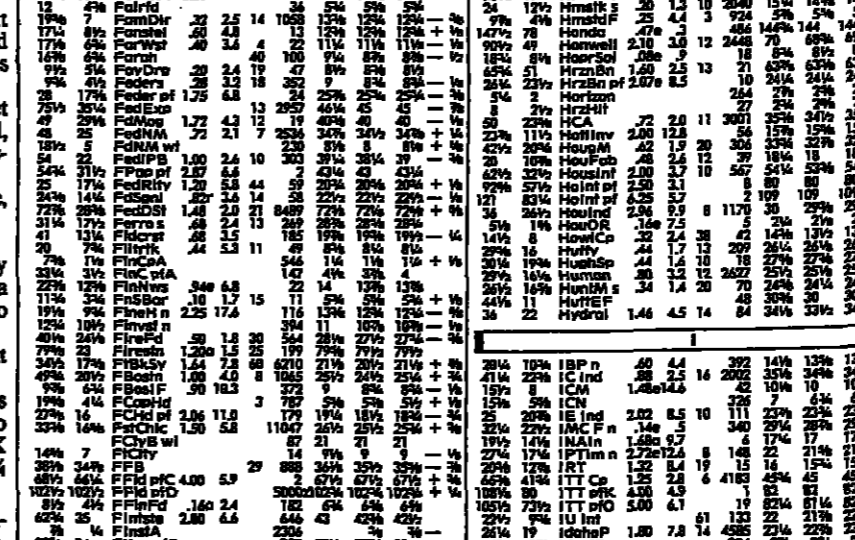
"The rally was not accompanied by strong volume, it suffered from poor breadth and was not confirmed in the transports or the utilities," Mr. Nicolski said. "The volume has been pathetic, and I think it's going to get worse."

Broad market indexes also declined. The New York Stock Exchange composite index fell 1.04 to 145.13. Standard & Poor's 500-stock index fell 1.79 to 256.13. The price of an average share lost 23 cents.

Mr. Nicolski said the market was plagued by worries about inflation and the weakened dollar, which would prevent the Federal Reserve Board from loosening credit.

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12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg.
124	124	AAR	3.2	124	124	124	-
124	124	AAI	3.2	124	124	124	-
124	124	AAO	3.2	124	124	124	-
124	124	AAU	3.2	124	124	124	-
124	124	AAV	3.2	124	124	124	-
124	124	AAW	3.2	124	124	124	-
124	124	AAZ	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg.
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-

12 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Close	Chg.
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124	124	AAA	3.2	124	124	124	-
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124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-
124	124	AAA	3.2	124	124	124	-

مكتبة الأصيل

(Continued on Page 19)

# Taiwan's New Offensive

## Converting China With Missionaries of Capitalism

### IN THE NEWS

#### Oct 15: Ban Is Lifted

**On Travel to China**  
A 38-year ban on travel to China is lifted, allowing Taiwan residents to visit relatives on the mainland. The governing Nationalist Party said it acted for humanitarian reasons.

#### Dec. 6: Opposition Scores

**In Legislative Elections**  
The Democratic Progressive Party, formed in defiance of martial law, wins nearly a quarter of the overall vote in legislative elections.

#### Jan. 14: President Dies;

**Taiwanese Takes Office**  
President Chiang Ching-kuo dies, ending a Nationalist dynasty and arousing anxiety in China and the United States over the island's political development. Vice President Lee Teng-hui, a native Taiwanese, is sworn in as president.

#### Jan. 18: 2 Dissidents Jailed

**Tsai Yo-chuan and Hsu Tsao-teh, two prominent dissidents advocating independence from China, are sentenced to 11 and 10 years in jail respectively.**

#### Feb. 4: Reforms Allow

**Parliamentary Elections**  
The Nationalist Party approves reforms that will allow Taiwanese to elect all members of parliament. The National Assembly and the Legislative Yuan, the highest lawmaking body, are now dominated by mainland Chinese who have not faced re-election in 38 years.

#### March 24: Taiwan Stops

**Atomic Research**  
Under pressure from the United States, Taiwan stops work on a secret installation that could have been used to obtain plutonium. U.S. officials said the work violated Taiwan's commitments to the United States that it would undertake no research for developing atomic weapons.

The once inflexible "three noes" policy has become a policy of two and a half noes.

By Daniel Southerland

**T**AIPEI — People used to scoff at tiny Taiwan's claims that it would someday retake China's Communist mainland. But Taiwan is now on the offensive, initiating the biggest changes in the island's once hostile relations with the mainland since 1949.

The breakaway province of Taiwan and the mainland are still technically locked in a state of war. But Taiwan's offensive is a peaceful one. It allows businessmen to compete for mainland trade and uses Taiwan citizens visiting the mainland to win over hearts and minds.

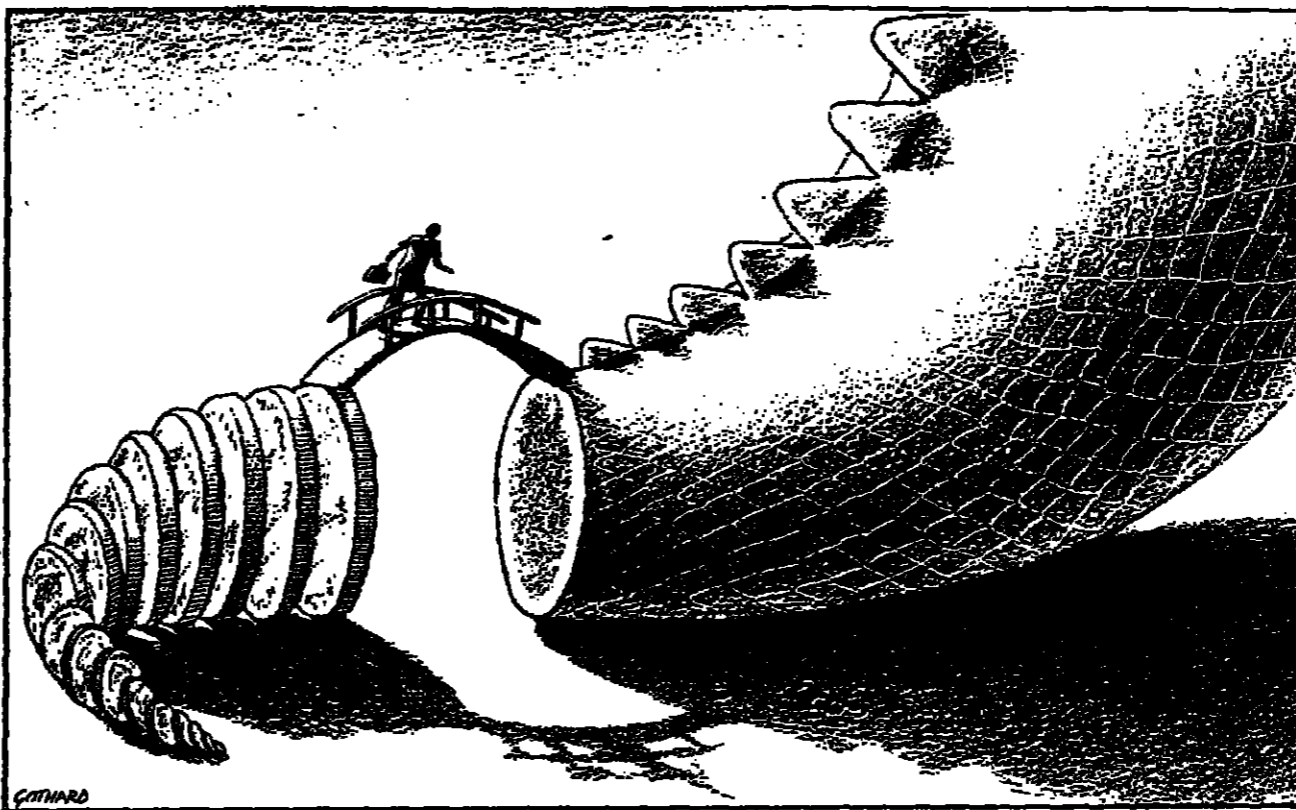
If liberal members of the ruling Kuomintang (KMT), or Nationalist Party, have their way, Taiwan will use its offensive to help modernize the mainland and convert many Chinese there to Taiwan's way of thinking about capitalism and a more open political system.

President Chiang Ching-kuo of Taiwan decided on the first breakthrough — lifting a ban on visits to China — late last year. It has proven to be a highly popular move.

Since Mr. Chiang's death in January, Taiwan's new president, Lee Teng-hui, has continued to turn a blind eye to burgeoning unofficial contacts between Taiwan and China.

When Mr. Lee, 65, took power just three months ago, it was widely assumed that he was a compromise choice for president who would serve as a figurehead until a stronger leader emerged.

Scholarly and U.S.-educated, Mr. Lee is the island's first Taiwan-born president, heading a government still dominated by a minority of mainland-born Chinese who fled to Taiwan when the Communists took power in 1949. While the popular Mr. Lee now appears to



be a leader in his own right, some observers say he has yet to prove that he can effectively direct and manage Taiwan's society, politics and foreign relations in a time of rapid change.

While insisting that there is no basic change of mainland policy, Mr. Lee is leading a review of that policy that is clearly aimed at making it more flexible and adaptable.

The review, due to be concluded at the end of this month, is expected to recommend a further expansion of travel to the mainland, allowing everyone except high-ranking government officials and active military personnel to travel there.

In the latest sign of a more liberal attitude, Taiwan announced earlier this month that it will allow mail to be sent to the mainland through Hong Kong, a practice that is already widespread but which the authorities in Taipei have never officially endorsed.

According to the well-informed Taiwan newspaper China Times, Mr. Lee and his senior colleagues have also decided in principle to relax restrictions on imports of raw

materials, such as coal and cotton, from the mainland.

Mr. Lee has said that Taiwan would study the possibility of sports and cultural exchanges.

And mainland Chinese students and scholars studying abroad will be invited to visit Taiwan for a first-hand look at its progress, officials say.

At the same time, Mr. Lee has tried to keep a brake on the "mainland mania" that is sweeping Taiwan, as more contacts are made and more objective information about developments in China is made available to the Taiwanese public.

Mr. Lee said recently that Taiwan still had "serious national security concerns" when it came to dealing with China, indicating that the government wants to set the pace and keep contacts under control.

Mr. Lee has continued to emphasize that contact with China has to be on a private basis, with no change in Taiwan's policy of no official contact, no negotiation and no compromise with the Communists.

But the once inflexible "three noes" policy, as it is called, has become a policy of two and a half noes, according to some Taiwan politicians. Mr. Lee and other government officials are now defining the policy less restrictively.

A year ago, no one would have predicted that tens of thousands of Taiwanese would be visiting their relatives on the mainland. Or that Taiwan businessmen would talk openly about investing in China and competing with South Korea for China's markets.

Some optimistic Taiwanese see a future in which their increasingly sophisticated technology and management techniques combine with cheap mainland labor, turning the 21st century into "the Chinese century."

That is a tall, and probably unrealistic, order for a small island of only 19 million people facing a sprawling, underdeveloped nation of one billion on the mainland. But Taiwan's new middle class has grown in confidence in recent years. Taiwan is the fifth largest trading partner of the United States and the 13th largest of the world's traders.

New figures may soon show it to be No. 12.

Taiwan has the world's second largest foreign exchange reserves, behind Japan. The reserves are now estimated at about \$74 billion.

But Taiwan's business people are being driven to seek new markets because of a rise in Taiwan's labor costs and quotas as well as anti-dumping regulations and other measures designed to protect the U.S. economy.

Some of Taiwan's shoe manufacturers, for example, have moved their equipment to China in order to bring the costs down. Just a few years ago, it would have been hard to believe that businessmen from staunchly anti-Communist Taiwan would talk openly about investing in China, but they are doing it now. Many Taiwanese businessmen have worked through Hong Kong companies to trade with the mainland. The Taiwan government allows such indirect trade, but has so far banned direct trade.

Jaw Shau-kong, a KMT legislator, argues that if Taiwan can improve the lives of people on the mainland through trade, it will help to protect Taiwan against a Communist attack or takeover.

"We should go on the economic attack and influence the mainland," said Mr. Jaw toward the end of last year.

Not long ago, such a view would have been considered naive and possibly treasonous. But Mr. Jaw presented his views in the presence of a high-ranking KMT official, who voiced no dissent. Officials appear to have become used to such comments.

A National Taiwan University analyst estimated that two-way trade between China and Taiwan, passing through Hong Kong and other points, more than doubled last year, reaching a value of nearly \$2 billion.

But while economics is the most obvious force driving the KMT to revise its once rigid mainland policy, political motivations are involved as well.

The party is possessed of a missionary-like zeal to convert the mainland. But in some areas it is adopting a more pragmatic approach, trying to re-enter international organizations that Taiwan either quit or boycotted when the Communists joined, such as the Manila-based Asian Development Bank.

Taiwan will try to persuade nations that cut ties with the island in favor of recognition of Beijing to opt for "dual recognition," whereby they can maintain diplomatic links with both Taiwan and China.

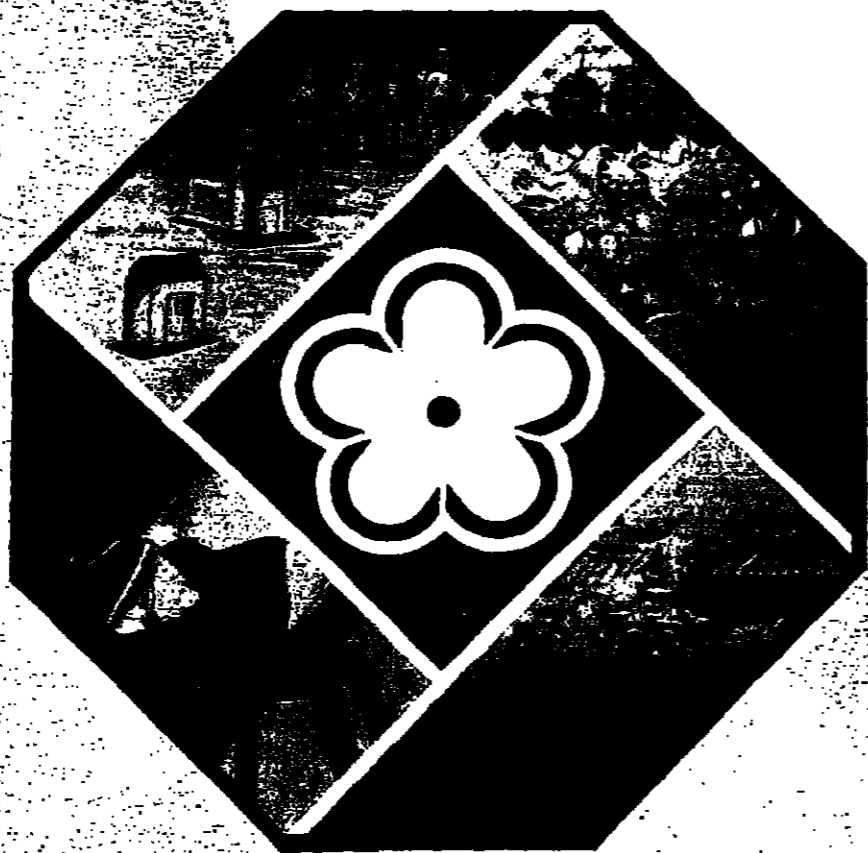
Superficially, the two systems resemble each other in many ways. The KMT is debating political reforms similar to those being debated by the Communists in China. In both

Continued on page 14

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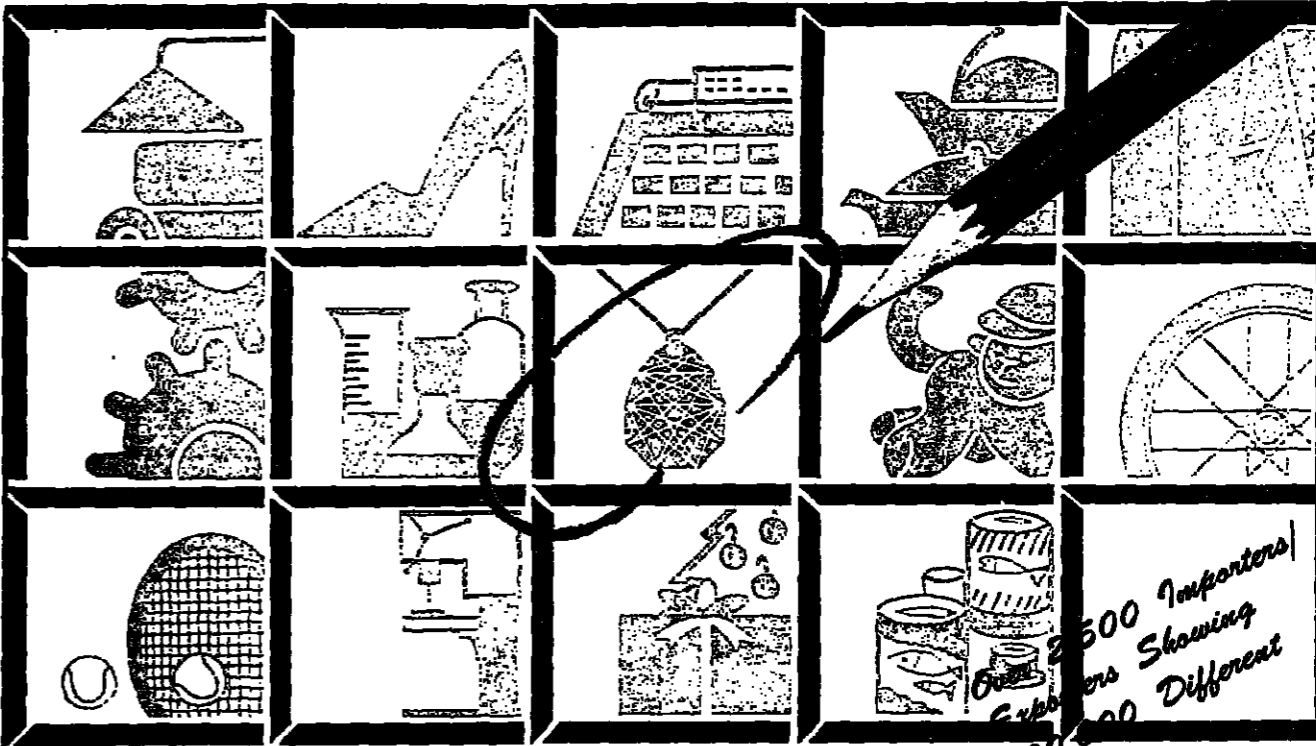


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#### Taipei World Trade Center Show Calendar:

- Taipei Int'l Gift, Jewelry & Stationery Show  
March 23-25, 1988
- Taipei Int'l Sporting Goods Show  
April 11-15, 1988
- Taipei Int'l Cycle Show  
April 11-15, 1988  
bicycles, motorcycles and spare parts and accessories
- Taipei Int'l Food Industry Show  
April 22-26, 1988
- Taipei Int'l Footwear & Leather Goods Show  
May 3-7, 1988
- Taipei Int'l Auto Show  
May 21-25, 1988  
automobiles and all kinds of parts
- Taipei Int'l Hardware & Building Materials Show  
May 21-25, 1988
- Computer Taipei  
June 6-12, 1988  
computers, computer peripherals, software services, office automation equipment, telecommunications equipment
- Taipei Int'l OEM/Subcontracting Show  
June 24-25, 1988  
electronics and electrical products, metal products, machinery and vehicle, plastic and rubber products, metals and dies
- Taipei Import Fair  
August 27-September 4, 1988  
an all-day-long country (non-NICU) meeting to assist their products to be introduced to Taiwan
- Taipei Int'l Toy Show  
September 27-October 1, 1988

# Economy Grapples With the Repercussions of Political Evolution

## With robust foreign demand, the export-driven economy jumped into high gear.

By Coleen Geraghty

**T**AIPEI — After 12 months of extraordinary political evolution, Taiwan is now grappling with the economic repercussions of precipitous change.

The 19.6 million inhabitants of this prosperous island economy have witnessed more social upheaval since 1986 than in the entire previous decade. They have seen the death of a dictator and a beloved leader, the transfer of power to Taiwan's first native-born president, the establishment of tentative links with mainland China and a gradual, albeit grudging, official tolerance of political dissent.

Equally dramatic developments have taken place on the economic front. In response to robust foreign demand, Taiwan's export-driven economy jumped into high gear and the trade surplus widened by \$19 billion in 1987 alone.

Per capita income rose one-third last year, while the gross national product grew 11.2 percent, the largest increase in nine years. At the end of 1987, the country was sitting on foreign exchange reserves worth \$16.7 billion, second only to Japan. Suddenly, Taiwan was a shining example of Asia's economic potential.

But success has its price, as the Taiwanese are beginning to discover. Government officials and business leaders now question whether the country's economic growth may have been too rapid and the political changes too abrupt for Taiwan to handle.

A number of recently released economic indicators seem to justify their fears. Foreign investment in Taiwan

dropped about 40 percent in the first quarter of 1988, according to the government's Investment Commission.

Officials linked the decline to labor unrest, but Taiwan's economic growth is largely to blame. Real wages are high here compared with Thailand, Indonesia and the Philippines, and the value of the currency renders them higher still in relative terms.

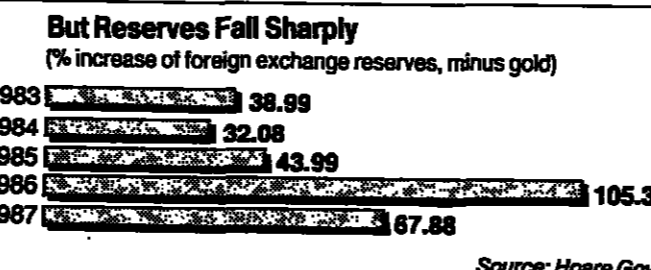
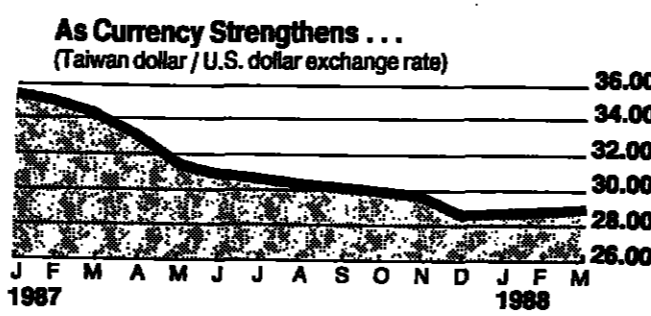
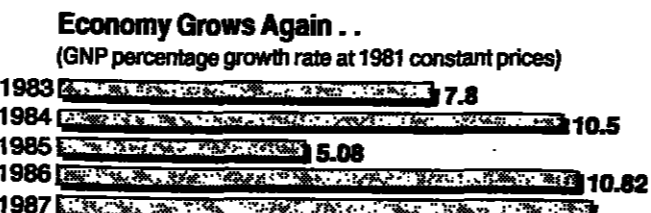
Not only are the foreign investors seeking other shores, but Taiwan's own industrialists have set up production plants in Southeast Asia to take advantage of lower labor costs, according to John Ni, director general of the Industrial Development and Investment Center. He estimated "outward investment" at more than \$900 million last year.

The strength of the Taiwan dollar, now considered overvalued by most economists, has also eroded export demand, the very foundation of the economy. Politically, this is good news for Taiwan, which had been under pressure to reduce its trade surplus with the United States. But it could prove disastrous for the country's industrial sector.

**F**OR THE three-month period ended March 31, Taiwan's trade surplus fell to \$2.2 billion, nearly half the year-ago level. Imports in the first quarter rose 63 percent, while exports rose only 22 percent, both compared with first-quarter 1987 figures. Based on these results, Taiwan revised the projected 1988 trade surplus with the United States from \$13.5 billion to \$8 billion.

"Largely in response to trade pressure from the United States, Taiwan has telescoped the process of economic diversification into far too short a time frame," said one banker. "The shift

### Taiwan in Profile



Source: Hoare Govett

from an export-driven to a modern economy has occurred faster than the country can react to it."

About 95 percent of domestic industry is classified as small and medium-sized, with paid-up capital under \$1.43 million and fewer than 300 employees. "These businesses are the backbone of our economy," said Wang Chia-shien, vice minister of economic affairs. And the sector depends on exports for 73 percent of its gross revenue.

In the past, the small and medium-sized Taiwanese entrepreneurs proved

capable of adapting to changing economic conditions. This latest upheaval will test their ability to switch from labor intensive industries that fueled Taiwan's early growth to capital intensive industries — like plastics, chemicals, electronics and computer components — that are claiming ever larger shares of export revenue.

"Taiwan is entering a very interesting period," said Chang Liang, president of Shearson Lehman Brothers (Taiwan). "If we can create the proper environment, we can perform another econom-

ic miracle. But we will have to pay the price of growth in terms of inflation and labor unrest."

Discontent in the labor force, until recently almost unheard of in Taiwan, is the inevitable result of the transition from a labor intensive to a capital intensive economy, economists say. They predict that a more highly educated work force combined with the shift from small and medium to large-scale industries will foment labor unrest. The intensity of that unrest will reflect the speed of the transition.

Government officials warn that pay-related demonstrations and strikes could hurt the investment climate, but Taiwan's labor force still looks decidedly meek compared with South Korea's. Less than 20 percent of registered workers belong to trade unions, and the labor element of the opposition attracts little support.

Nevertheless, the government is worried about the potential for labor unrest in Taiwan. "You can detect in their public statements that they expect labor problems to surface as Taiwan liberalizes," a banker said.

Inflation is another recurring nightmare of the ruling Kuomintang, the Nationalist Party. Price stability has been an unquestioned tenet of the leadership since their defeat by the Communist forces of Mao Zedong in 1949. "They fear inflation," according to one economist. "After all, they lost a country because of it."

Bankers and economists rarely consult Taiwan's consumer price index, since 25 percent of its components are government-controlled. Moreover, certain inflation-sensitive indicators, such as property prices, are excluded. Thus, official figures do not reflect the 100 percent increase in real estate values that occurred within the Taipei city area last year.

But economists say that the one-to-one correspondence between Taiwan's trade surplus and its money supply implies a tremendous potential for inflation.

"In effect, Taiwan is exporting its capital, and that will lead to inflation," said Su Han-ming, chief economist for International Commercial Bank of Chi-

na. "Prices for nontradable goods such as consumer items, equities and real estate are increasing rapidly."

**P**ROGRESS TOWARD reducing the trade surplus, as has been seen in the first quarter of this year, will help Taiwan control inflation. But for the sake of its industry, the government must avoid sudden changes in the import-export balance.

In fact, a sudden rise in Taiwan's trade surplus during the last few years helped create the monstrous foreign exchange reserve that haunts its economy now. The other culprit, according to economists, is the central bank.

For years, the Central Bank of China practiced a conservative and highly restrictive fiscal policy. Currency restrictions hindered the normal adjustment process of recycling foreign exchange earnings by investing abroad. Thus, as the export boom pumped a flood of foreign currency into Taiwan, money supply rose by 47 percent in 1986 and 43 percent in 1987.

"Our money supply could easily have increased by 100 percent last year had the government not mopped up part of the excess with high interest-bearing securities," the International Commercial Bank's Mr. Su said.

Beneficial as it was in reining in money supply growth, the mopping up operation had the unfortunate effect of cramping domestic investment, other bankers said. In order to finance the practice of selling debt instruments to the general public, the central bank was forced to borrow in the domestic market, thus draining private sector funds that might otherwise have been invested.

The relaxation last July of foreign exchange controls, an important part of the entire liberalization process, should reduce Taiwan's reserves and control rampant money supply growth. Individuals and companies may remit up to \$5 million abroad annually for virtually any purpose, including investments in securities and property.

The new foreign exchange regime

had little immediate effect on Taiwan's reserves because the country's currency was still rising in value. But this year, the Taiwan dollar is expected to stabilize in the range of 25-28 to the U.S. dollar, providing a strong incentive for the Taiwanese to invest abroad.

Finally, the government has signaled its willingness to abandon balanced budget spending in favor of public investment. The fiscal 1989 budget announced last month has set ambitious spending targets to speed up public construction projects.

This policy change, which will create a \$5 billion deficit, is designed to boost consumer spending while offsetting the anticipated decline in exports, economists said. Government spending is projected to rise by 18 percent to about \$20 billion, and the deficit will be financed in part by new bond issues amounting to \$3.5 billion.

The budget promises to boost investment by 20 percent in Taiwan's 14 ongoing development projects, which include highway construction, railway and harbor expansion, electric power development and the upgrading of the telecommunications system. However, economists point out that the government never fulfilled its fiscal 1986 commitment to invest \$4 billion in these projects, which would have been an 18 percent increase over the previous year.

But the new budget clearly indicates that economic liberalization will continue in Taiwan under President Lee Teng-hui, an economist by training. Shortly after taking office in February, he vowed to triple average per capita income in Taiwan to \$17,500 by the year 2000.

President Lee inherited a highly productive and flexible economy from his predecessor, the late Chiang Ching-kuo. It will be the new president's task to modernize Taiwan's economy without allowing growth to unbalance the scales.

**COLEEN GERAGHTY**, a journalist based in Hong Kong, is a regular contributor to the International Herald Tribune.

# Industry Moves Offshore to Expand Markets, Find Cheaper Labor

**T**AIPEI — A visiting businessman from West Germany, impressed with Taiwan's industrial development, offered a comment to Vice Minister for Economic Affairs Wang Chia-shien. "You produce very high quality merchandise," he said, "but the people in my country are not aware of it. They know the Korean brand

names, but no one could identify a Taiwanese manufacturer."

To which the minister replied: "Which is the largest German computer company, Siemens? Well, maybe one of our manufacturers could buy Siemens, and then people will remember the names."

The notion of a young Asian company acquiring an established

European conglomerate is somewhat far-fetched, but the anecdote says a lot about the ambitions of Taiwan's entrepreneurs. Forced to find new markets and cheaper sources of labor in an increasingly competitive export environment, Taiwanese industry is moving offshore, not only to neighboring countries but to Europe and North America as well.

The trend is not unique to Taiwan, of course. Entrepreneurs in other high-growth Asian economies such as Hong Kong and Singapore have established foreign bases. What is startling about Taiwan's offshore development is the nature of the investors. They are tightly run, labor- or capital-intensive companies often owned by a single family or a small group of friends.

In a world in which size intimidates, and big business makes the rules, Taiwan stands out as a curious anomaly. More than 90 percent of its individual companies classify as small or medium-sized, meaning that they employ fewer than 300 people and have paid-up working capital of less than \$1.5 million.

"We encourage them to grow through merger, we even offer them tax incentives, but they won't merge," said Vice Minister

Wang. "You know every Chinese wants to be the boss."

The Taiwanese like to compare their economy with South Korea's, partly because they are proud that their nation of small entrepreneurs has grown as rapidly as one of huge conglomerates modeled after the Japanese trading houses. The

step ahead of government. "Remember, we are a private sector driven economy, not a government controlled economy like Korea," said Chang Liang, president of Shearson Lehman Brothers (Taiwan). "The private sector will have to continue to work to make this country successful."

## In the world of business, Taiwan is a curious anomaly.

comparison also highlights Taiwan's exceptionally high per-capita income (\$5,000 versus South Korea's \$2,850) and the even distribution of its wealth.

Taiwan transformed itself from a labor-intensive to a capital- and skill-intensive economy in a remarkably short time, aided by a large pool of well-educated young people striving to get ahead. With an unemployment rate of less than 2 percent, Taiwan now imports workers, mainly from the Philippines, to fill the low-skilled jobs.

At each stage of Taiwan's recent economic development, the individual entrepreneur has been one

Not only is Taiwan's private sector continuing to work, it is also adapting to a more competitive world market. Charles Huang, president of Summit Consulting Group, said many manufacturers have introduced value added products or new but related product lines. "I think the small and medium-sized businesses will continue to dominate, but with a stronger focus on diversification and export strategy," he said.

Rather than diversify from their home base, some Taiwanese companies have moved offshore to capitalize on cheap labor and raw materials available in less devel-

oped countries. Thailand, Sri Lanka, and Malaysia are favorite destinations, but some Taiwanese set up shop in the Caribbean and along the U.S.-Mexico border.

According to Chang Hwa Commercial Bank's chairman, Liang Kuo-shu, labor intensive manufacturers of shoes, textiles, and handbags account for the majority of businesses that have moved to low-cost bases outside Taiwan.

"Neither the capital intensive industries like cement and petrochemicals, nor the skill intensive industries like electronics and computer components have suffered profit declines," he said. "But as they approach maturity, and the political liberalization process continues, they face labor disputes and strict pollution controls. The general business climate will not be as favorable as in the past."

Until recently, Taiwan's government took a hands-off approach to foreign investment. Citizens were not legally permitted to remit abroad more than \$5,000 annually. The government, aware that industry was flouting the rules, decided to look the other way.

But since foreign exchange restrictions were relaxed last July, allowing each Taiwanese to remit up to \$5 million overseas annually, the Ministry of Economic Affairs

has tried to encourage what officials term "outward investment." Doubtless, the government has also been motivated by Taiwan's huge foreign currency reserve, a sticking point in relations between Taiwan and the United States.

John Ni, director general of the Industrial Development and Investment Center, said low-interest loans for up to 70 percent of the total investment are available for approved projects. Certain tax incentives can be claimed, but not all potential investors will be eligible, he said. Each must have a (domestic) paid-up capital of at least \$700,000, down from the \$1.8 million previously required.

**D**ESPITE the incentives and the relaxation of restrictions on foreign investment, many Taiwanese still do not submit their plans for government approval. According to government figures, approved outward investment in 1987 totaled \$100 million. But Mr. Ni said the actual figure was at least nine times that amount. Thailand alone reported \$560 million in new Taiwanese investment last year, he said.

About 70 percent of approved investment goes to the United States, he said.

Others say China is the recipient of much unapproved investment capital from Taiwan. According to the Chung-Hua Institution for Economic Research, about 300 investment projects have been set up by Taiwanese companies in southern China.

And a long-time foreign resident of Taipei said he knows of Taiwanese-owned factories in China's Special Economic Zones. Recently, a number of Taiwanese have traveled to Shanghai to reclaim family assets frozen during the Cultural Revolution, he said. There, they use the money, along with additional funds "exported" from Taiwan, to start up small-scale businesses run by family members still living in China.

Though many economists and government officials regard foreign investment as a necessary and valuable part of Taiwan's liberalization process, others see it as a threat to the country's economic future.

Su Han-ming, chief economist with the International Commercial Bank of China, argued for increased domestic investment of Taiwan's wealth. As certain industries become unprofitable or outmoded, he said, Taiwan should encourage development of more sophisticated, high-technology industries to replace them.

Coleen Geraghty

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# Businesses Widening Exports

By Paul Mooney

TAIPEI — Popular reaction to the liberalization of Taiwan is complicating government plans to resolve trade friction with the United States and forcing business to diversify export markets.

Taiwan's economy relies on exports for 50 percent of its gross national product, and the United States absorbs close to half of the total. Under pressure from Washington, Taipei has ended a number of trade restrictions and allowed its currency to appreciate 40 percent over the last two years.

But the concessions elicited angry protests from 42 Taiwanese lawmakers, who accused trade officials of caving in to U.S. demands at the negotiating table. In January, legislators from the ruling Kuomintang, or Nationalist Party, defied the government by watering down a package of proposed tariff reductions.

A few days later, 3,000 of the island's normally passive farmers marched on a U.S. government office in Taipei, demanding an end to U.S. agricultural imports.

The government is now facing pressure from the United States and different segments of the local population," said Jaw Shau-kong, a Nationalist Party legislator. "Our farmers, workers, and industries are suffering the effects of the [currency] appreciation and of U.S. imports. They are complaining to the government."

Although Taiwan's trade surplus with the United States rose to a record \$16.9 billion last year, there are signs that the twin policies of trade liberalization and currency appreciation are beginning to work. The surplus last month fell to \$300 million from \$1.27 billion in March 1986, while the first-quarter trade surplus declined from about \$4.2 billion last year to about \$2.2 billion in 1987.

However, some businessmen who expect the trade situation to deteriorate again in the second half of the year are looking for more creative ways to reduce the island's dependence on the U.S. market. Market diversification is the most obvious strategy.

"The appreciation of the [New Taiwan] dollar has affected exports to the United States, but not to other countries," said Chiang Pin-kung, secretary-general of the China External Trade Development Council, a quasi-governmental trade promotion group. "We are actively promoting trade with Europe, Japan and other countries, but we have cut back promotional activities in the United States."

Taiwan's exports to Europe rose by 65 percent to \$7.87 billion in 1987, giving the island a \$2.67 billion surplus. However, as quickly as Taiwan makes inroads into these markets, protectionist sentiment arises to qualify its success. After taking in 18 million pairs of shoes from Taiwan in 1987, Italy announced that it would limit future imports to 9.5 million pairs annually.

To protect itself from a rising trend of global



Seamstress at a garment factory near Taipei.

protectionism, Taiwan is pressing for membership in the General Agreement on Tariffs and Trade. Board of Foreign Trade officials have sought the aid of Japan and the United States in sponsoring its return to GATT after a lengthy absence sparked by political issues. They are also trying to forestall China's membership in the international trade body.

In the meantime, Taiwan is making efforts to "internationalize" its trading base. At the urging of local traders, the government was coaxed into establishing trade ties with Eastern Europe, and Taiwan's staunchly anti-Communist regime has been surprisingly flexible in facilitating trade contacts with the region.

TELECOMMUNICATIONS links have been opened, and the Taiwanese government is poised to grant seven East European countries preferential tariff treatment. But two-way trade, expected to double in value in 1988 from last year's \$200 million, cannot compare with the volume of U.S.-Taiwan trade. Clearly, other markets must be found.

Although the government steadfastly maintains that direct trade with mainland China remains taboo, the opening of trade ties with East bloc countries has prompted local businessmen to push for official approval of Taiwan-China trade ties.

"If we don't do business with the mainland, others will," said Mr. Jaw. "Trade is vital to us. We are trying to diversify, and the mainland is one market."

Taiwan's new policy of allowing family visits to the mainland is expected to lead to further two-way trade, and there are indications that the government is reviewing restrictions on trade with Beijing. In a major policy reversal, Taiwan last month announced it would allow most Chinese goods, barring agricultural and light industrial imports, to enter Taiwan through third countries.

Indirect trade with China last year, at the time officially illegal, exceeded \$1.5 billion. This was up more than \$500 million from the

previous year, and 20 times the 1979 figure, according to Hong Kong trade figures. (The majority of indirect trade between Taiwan and China goes through Hong Kong.)

Wang Chien-shien, deputy minister of economic affairs, said attempts to enforce an indirect trade ban with China would have been futile. "If we tried to ban trade through Hong Kong, people would find a way to go through Japan or the Philippines," he admitted.

Mr. Wang said the government was considering proposals calling for direct two-way trade of certain commodities. "We are thinking, should we open the door a little wider," he said. "Japan and Korea can buy cheap cotton from China, and this makes their textiles more competitive. We have heard proposals that we should lift the ban on imports of essential raw materials like coal and cotton."

As the China trade debate continues, and Taiwan seeks other markets in Asia and Europe, trade officials in Taipei admit that Taiwan's exporters will remain dependent upon the U.S. market for a long time. The diversification process can achieve only limited results, they say.

"Pressure will not be reduced just because you open your markets," said the Trade Development Council's Mr. Chiang. "You must reduce the surplus. To achieve this goal, we must buy more from the United States, and not export less. We should encourage imports."

Whether the government will be able to do this in the face of growing demands at home remains a big question. "People here have enjoyed protection from imports for a long time, and if it is removed, they will take the matter to the streets," predicted S.C. Tsiang, president of the Chung Hua Institution for Economic Research. "I don't think trade liberalization will proceed as fast as we would like it to."

PAUL MOONEY is a financial journalist based in Taipei.

# U.S. Optimistic on Relations Despite Tension on Agriculture

By Lena H. Sun

WASHINGTON — U.S. officials are upbeat about recent political and economic developments on Taiwan and have a generally optimistic outlook for continued good relations despite current tension over some agricultural trade issues.

"There is general satisfaction and admiration for what has taken place in the last 18 months," said a congressional analyst who follows affairs on the island closely.

Compared to South Korea's rapid transition to democracy, Taiwan's liberalization process has been accomplished more smoothly, according to analysts who specialize in East Asia.

"Korea took the blitzkrieg approach," one analyst said. "What has been happening in Taiwan has been more planned and gradual."

Administration officials have welcomed the liberalization begun by former President Chiang Ching-kuo since 1986. Martial law was lifted, opposition parties were allowed to be formed, plans were introduced to give more representation to native Taiwanese and a press law that previously restricted the number and size of newspapers was loosened, among other reforms.

After Mr. Chiang's death in January, his successor, Lee Teng-hui, an agricultural expert educated at Cornell University and the first native Taiwanese to be president, has moved quickly to consolidate power, assuming chairmanship of the ruling Kuomintang, and to push ahead with political reform.

He has met with members of the opposition and, according to one well-informed analyst, his skill in "the way he has played his hand, being modest and at the same time decisive," has reduced some of the underlying political tension in Taiwan between the aging core of Chinese who fled to the island from the mainland four decades ago and have dominated its politics and the native Taiwanese, who make up 85 percent of the estimated population of 19.5 million.

## Liberalization draws admiration.

"Having a Taiwanese emerge as the president, one who is trusted and liked on all sides, has allowed Taiwan to get over the hurdle of the succession with fewer psychological shocks, the analyst said.

In Washington's view, one of the most encouraging signs of Mr. Lee's leadership style was his first press conference in February.

"He visibly held himself up before his people," one State Department official said. "He signaled a different style to the people of Taiwan."

In keeping with that more open, self-confi-

dent style, U.S. officials point to another encouraging move: Taipei's announcement last month that it would attend the annual board of governors meeting of the Asian Development Bank in Manila next week. Taiwan boycotted bank activities for two years after the bank renamed it Taipei, China, and after the mainland also became a member and took the China seat.

At his press conference, Mr. Lee said the

U.S. officials are also encouraged by significant movement on intellectual property rights, an area where Washington has encountered problems worldwide, and on steps to allow wider access to the insurance and financial sectors.

Washington is quick to praise these actions. "If you compared what Taiwan has done since the fall of 1986 to the present, Taiwan has been more responsive than Korea," Mr. Allgeier said.

But, as one senior administration official added, "Taiwan needs to continue to work on the trade problem."

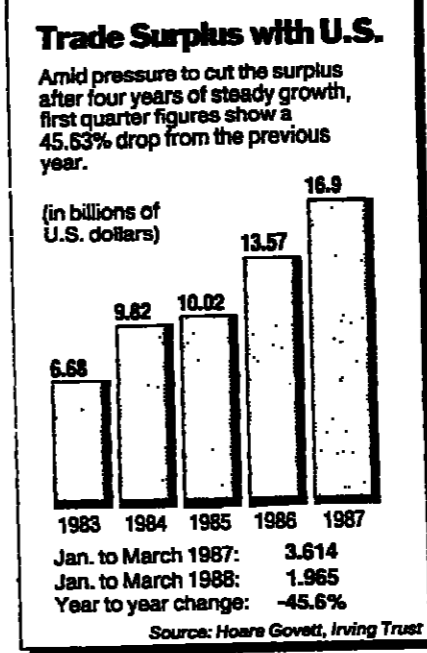
Trade has been a contentious issue, and tension has arisen recently over increased U.S. exports of fruit and poultry to Taiwan. Farmers, angry over Taiwan's decision to lift import restrictions on U.S. turkeys, staged two demonstrations last month in front of the American Institute in Taiwan, Washington's unofficial embassy in Taipei. The demonstrations were peaceful, but they were the first anti-American rallies in several years, U.S. officials said.

Officials in Washington are cautious about attaching too much significance to the demonstrations. The protests could be seen as a safety valve to release pressure on Taiwan's government from the farmers, said one senior administration official.

So far, Taipei has been successful in resisting the pressure and must continue to do so, in the U.S. view.

"If we are going to have a situation where every time we have success in increasing our exports, the [Taiwan] government is giving in to restrain us, we are not going to resolve the problem of the trade imbalance," Mr. Allgeier said.

LENA H. SUN is on the staff of The Washington Post.



tion  
... immediate effect on Taiwan's economy because the country's currency is still rising in value. But the rise in the Taiwan dollar is expected to be in the range of 25-28 to the U.S. dollar, providing a strong incentive for Taiwanese to invest abroad. Usually, the government has been unwilling to abandon its export-led growth strategy. The fiscal 1989 budget projected last month has set ambitious targets to speed up public construction projects.

## COLEEN GERAGHTY, a journalist based in Hong Kong, is a regular contributor to the International Herald Tribune.

## Labor

Others say China is the biggest threat to Taiwan's economic growth. The late Chiang Ching-kuo, Taiwan's first female president, vowed to triple average per capita income in Taiwan to \$17,500 by the year 2000.

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Independence or Reunification?

Converting China With Contacts

Continued from page 11

Taipei and Beijing, the main idea is to curb the party interference in the day-to-day running of government.

Beijing has urged reunification under a "one-country, two-systems" approach that would allow Taiwan to maintain its army and capitalistic system.

But pluralistic political change is coming so much faster in Taiwan that it is intensifying the existing differences between the two systems. As some observers see it, Taiwan is becoming more "indigestible" for China.

While the KMT tolerates a small but vigorous opposition party, which is still technically illegal, the Communists continue to reject the idea of any meaningful multi-party system.

The KMT's new confidence is based partly on prosperity. Taiwanese officials announced last year that personal income had reached an average of about \$5,000 a year. That is more than 15 times the average income in China.

In lifting the ban on travel to the mainland, Taiwan seems to have several aims in mind. Taiwanese officials want to maintain Taiwan's identity with China, some sources say, thus countering demands that Taiwan formally declare itself independent.

From Taiwan's point of view, the visits to the mainland have been a great success, because they have convinced many Taiwanese that Taiwan is indeed vastly superior to the poor and overpopulated mainland. Mainland citizens have made so many demands on their wealthier Taiwan relatives that China's Communist Party chief, Zhao Ziyang, recently issued his own version of a three noes policy.

According to the official People's Daily, Mr. Zhao said there should be no political propagandizing of Taiwan visitors, no asking for money or gifts and no defrauding the Taiwanese. In the end, Taiwan must remain politically



Lee Teng-hui

In the end, Taiwan must remain politically stable in order to maintain momentum in its relations with the mainland.

stable in order to maintain momentum in its relations with the mainland. Mr. Lee's supporters went a long way toward creating such stability when they headed off a last-ditch attempt by Taiwan's traditionalist old guard to prevent his election to the presidency of the KMT.

The opposition Democratic Progressive Party has also had trouble dealing with Mr. Lee, not only because he is the first native Taiwanese to become president but also because he is popular.

The Communists on the mainland, meanwhile, clearly welcome the initiatives that Mr. Lee has taken to expand contact with China. But they must also feel uneasy about him

because, unlike his mainland-born predecessor, Mr. Lee has no close ties with China.

An analysis done by a research fellow at the Chinese Academy of Social Sciences and published in the April 11 issue of the official Beijing Review argues that there is "no authoritative successor" to Chiang Ching-kuo in Taiwan.

The article cites a speech given two years ago by China's senior leader, Deng Xiaoping, in which Mr. Deng said that once Chiang Ching-kuo died, "as far as we can see, no one in Taiwan can replace him."

The analyst said that over the long run, confrontation and conflicts between those who want reunification with China and those who



Two-wheeled vehicles dominate the rush-hour traffic on a Taipei street.

Robin Meyer/Corbis

want independence are inevitable. The only solution, he said, is for the KMT to drop the three noes and adopt an active reunification policy.

But on Taiwan, both KMT and opposition politicians seem to agree that reunification is

unthinkable as long as the economic and political gaps between Taiwan and China remain as large as they are.

"Democracy has to have a material base," said a young politician who belongs to the opposition Democratic Progressive Party.

"But without real democracy on the mainland, there is no way that we would consider reunification."

DANIEL SOUTHERLAND is The Washington Post's correspondent in Beijing.

2 Nations Show More Flexibility on the Long March Toward Unity

By Kazuyuki Hamada

WASHINGTON — In today's world, international relations are determined more and more by economic rather than military power. One of the most successful players in this game is Taiwan.

With a population of 19.6 million — or one-sixtieth of the mainland — and diplomatically isolated, Taiwan, nevertheless, continues to have the world's highest economic growth rate — 11.6 percent in 1986 and 11.2 percent in 1987. Its trade surplus in 1987 was \$19 billion. Having reached \$76.7 billion, its foreign exchange reserve is now the world's second largest, after Japan's. Its nominal GNP reached \$97 billion, or \$5,000 per capita, and the unem-

ployment rate has remained at roughly 2 percent for the past several years.

All these figures demonstrate far better economic performance than that of most of the world's countries, not to mention China.

This success can be attributed to the following elements, which contrast greatly with the mainland:

• Government industrial policies. After the war, the rural population was transferred to urban areas, thus achieving industrialization, with financial and technological assistance from the United States.

• Changing international environment. Despite being an outcast from the United Nations, the International Monetary Fund and the General Agreement on Tariffs and Trade, Taiwan has developed a favorable and substantive economic relationship with more than 140 nations, while maintaining official diplomatic relations with 22 others, mostly Latin American countries.

• Characteristics of the people. Cultivated by the traditional work ethics of Confucianism, Taiwanese are education oriented, as well as highly work and saving motivated. They have held the record for having the world's highest savings rate for the past 12 years.

These elements have promoted and will continue to promote the successful development of Taiwan's economy, which has, in turn, brought about its political and social stability.

China aims at reunification with affluent Taiwan after the successful reversion of Hong Kong in 1997, for their own economic and political reasons.

There are three schools of thought in Taiwan concerning the country's future. One calls for reunification at a moderate pace. Under the administration of the late President Chiang Ching-kuo, Taiwan initiated the Grand Alliance of China Reunification policy in 1983. This aims at a slow but steady development of the relationship between Beijing and Taipei. A majority of the people support this position, not wanting a drastic change.

The second is that of reunification at a radical pace. Old mainland veterans favor this movement. In April of this year, the China Reunification League was formed along these lines in Taipei.

This group, however, is not strong enough to win popular support.

The third school supports Taiwan's eventual independence. Taiwan's intellectuals, concerned about their nation's international

status, advocate this scenario. Business leaders, afraid of being under the political rule of economically backward China, also voice the need for independence.

Thus, both Beijing and Taipei officially adhere to the goal of reunification. However, this goal is a difficult one to achieve. The following three scenarios are conceivable as the means to a unified China, but each has apparent limitations.

• Militarily forced reunification by Beijing. The resulting bloodshed would make it extremely difficult to control the Taiwanese after reunification. In addition, China has a limited number of naval forces with which to attack Taiwan. More important is the fact that China cannot endure the costs involved in such an attempt, as it is concentrating on domestic reforms. Beijing is also concerned about international pressure against such adventurism.

• Peaceful reunification of Kuomintang and the Chinese Communist Party. This scenario has occasionally been proposed by the mainland's Communist Party leaders, but it is not probable as the Kuomintang government in

currently make up almost 90 percent of Taiwan's population, while the top leadership positions remain in the hands of mainlanders. Under the leadership of the newly appointed president, Lee Teng-

hui, this potential cause of friction should be carefully dealt with, by allowing more Taiwanese to hold high-ranking government positions.

Another problem is the demand for accelerated democratization. After lifting martial law, admitting opposition parties, expanding freedom of the press, the real test of democracy will be found in the scheduled 1989 National Legislature and 1990 presidential elections.

The labor movement and environmental protection provide further issues. Labor is becoming more politically assertive and wages are rising. As Taiwan is an industrialized nation, the issue of environmental protection has recently come into the spotlight and attracted political attention. The new activism has spread with local protests that have forced the cancellation of several major infrastructural projects.

Then, there is the need to recycle the huge trade surplus and for-

An analyst's view of the prospects for reunification with the mainland.

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Consumer Spending ■ Technology Growth

# Commodity Taxes Cut, Lower Import Tariffs Boost Consumerism

By Coleen Geraghty

**TAIPEI**—The age of conspicuous consumption has finally caught up with this nation of scrupulous savers. A government decision to lower import tariffs and cut commodity taxes opened the door to a flood of foreign goods, including household appliances, automobiles, television sets, designer clothing and cosmetics.

The government acted partly in response to pressure from U.S. trade officials, who have accused Asia's four "dragon" economies—Taiwan, Singapore, Hong Kong and South Korea—of using protectionist tactics to shield their domestic industries and thereby increase their trade surpluses with the United States. Taiwan's surplus rose to a record \$15.6 billion last year.

In February alone, Taiwan halved import tariffs on 3,500 items, thereby lowering the national effective tariff rate from 7.7 percent to 3.8 percent, according to Vice Minister for Economic Affairs Wang Chien-Shien. The effective U.S. tariff rate is 3.6 percent, he said.

The month before, import tariffs were cut on about 1,700 foreign products, and Taiwan began allowing imports of U.S. wine, beer and cigarettes. More recently, the government announced the relaxation of import controls on stationery and books.

Customs statistics tell the story even more dramatically. For the first two months of 1988, Taiwan's imports rose 60 percent from 1987 levels, while its exports were 28 percent above the year-ago figures. Exports to the U.S. climbed 16 percent during January-February, but imports raced ahead by 127 percent, Mr. Wang said.

In 1987, imports of consumer goods made up only 8.3 percent of the total mix. But they accounted for 17 percent of the goods imported in January-February 1988.

"As you walk around Taipei, you are bombarded by merchandise," said James Vaughn, who runs American Express Bank in Taipei.



Shoppers view merchandise on Taipei's Zhong Hua Road.

"Taiwan's market basket is changing. Suddenly, things are available."

It is still too early to tell whether Taiwanese consumers will buy the imports that now appear in shop windows as a result of the government's new import policy. Throughout the 1980s, Taiwan's savings rate, that is, the rate of national savings to Gross National Product, averaged above 30 percent. Last year, it jumped to 40.2 percent, among the highest in the world.

But per capita gross national product in Taiwan has increased at about the same pace,

rising from \$3,144 in 1985 to \$3,784 in 1986 to \$4,952 last year. Fully 98 percent of Taiwanese households own refrigerators, 96 percent have color television sets, 94 percent have motorcycles and 10.2 percent have automobiles.

"Double-digit increases in per capita income are expected to shift consumer preferences for imported goods," according to another banker, who noted the recent establishment of international retailer outlets.

If the Taiwanese are developing a taste for Christian Dior and ESPRIT computers, they can certainly afford it. The New Taiwan dollar

has appreciated rapidly against most major currencies, particularly the U.S. dollar. But some economists worry that this trend eventually will skew Taiwan's relatively equitable income distribution.

"People who own property and stocks, they make money, but those without tangible assets lost ground as the dollar appreciated," said Liang Kuo-Shu, chairman of Chang Hwa Commercial Bank. "The equality of income distribution has already deteriorated."

The booming property market will also ac-

If the Taiwanese are developing a taste for Christian Dior and ESPRIT computers, they can certainly afford it. The New Taiwan dollar has appreciated rapidly against most major currencies.

centuate any tilt in the distribution of wealth as the price of a moderately sized flat in and around the cities quickly soars out of the middle-income price range. Bankers estimate that property values have doubled in Taipei during the past 12 months.

"Some people say the market has peaked, but I think it will level off and rise again," said one foreign banker. "A lot of the existing housing around Taipei is old and shabby-looking. There is enough money around to tear it down and rebuild."

In fact, home mortgage loans constitute a large part of retail banking business in Taiwan. Both local and foreign banks compete for this market, offering mortgage rates between 6 percent and 7 percent, according to Chang Hwa's Liang Kuo-Shu.

More than \$18 billion in consumer loans was provided by foreign and local banks last year, as demand for consumer credit continued rising at an average annual rate of about 22 percent.

Automobile loans, a second major component of this consumer loan business, are being used increasingly to purchase foreign cars now that import duties have been lowered from 60 percent to 42.5 percent. The automobile indus-

try said foreign car imports probably would double in 1988 to reach 80,000 units.

Central to the future of consumer credit in demand in Taiwan is the government's policy on credit card issuance. Several major issuers including Bank of America, American Express, and Citibank last year reached an agreement with the Ministry of Finance to market foreign currency-denominated cards within Taiwan. Chase Manhattan joined the group this year.

Bankers see Taiwan as a potentially lucrative card market based on per capita income, and the large outgoing tourist population. But they are prohibited from offering credit cards payable in New Taiwan dollars, despite the relaxation of wide-ranging currency regulations last summer. Taiwan's policy stems from a desire to protect issuers of the local UDC card, which monopolizes the debt market.

U.S. officials will urge Taiwan to reverse this policy when they meet their Taiwanese counterparts for trade consultations next week, sources said.

In the meantime, foreign card issuers are pairing up with local banks to form island-wide distribution networks in anticipation of an end to the current credit card issuance rules.

## From a Tiny R&D Unit, a Computer Giant

**TAIPEI**—Acer Incorporated is not a typical Taiwanese company, but its 44-year-old chairman, Stan Shih, hopes it is a prototype for what the typical Taiwanese company will become.

Mr. Shih, together with five business associates, built what has become Taiwan's leading computer manufacturer and distributor from the shell of a tiny research and development company with 11 employees.

That was 12 years ago. Today, Acer employs 3,800 people, about 70 percent of whom own the majority of its stock. According to its chairman's calculations, when the company goes public in November about 900 employees will be holding shares worth \$35,000, or seven times the current gross-national product.

This particular statistic is important to Mr. Shih because it demonstrates a high degree of employee involvement, one trait that distinguishes Acer from most other Taiwanese companies.

"From the beginning, Stan Shih understood that a successful company must attract loyal workers, so he made stock options available to employees," said John Wang, senior vice president of corporate administration. "He gave people a chance to be creative, even allowed them to make mistakes. That kind of freedom creates a powerful, self-motivated work force."

Founded as Multitech, the company earned about \$200,000 in the first year. A decade later, in 1986, group revenue had exceeded \$200 million, for an average annual growth rate of 100 percent. Turnover last year reached \$319 million from the marketing, manufactur-

As Acer has grown, so has Taiwan's information products industry.

ing, trading, publishing and education divisions.

As the Acer group has grown, so has Taiwan's information products industry. Export of information products from Taiwan last year rose 79 percent to a record \$3.7 billion. Micro-computer exports nearly doubled in value to \$760 million, despite the competitive disadvantage of an appreciating currency. The United States accounted for about one-third of all information product exports.

In the past, employee shareholders furnished Acer with most of its working capital. "The banks gave us short-term financing, and the employees continued to reinvest earnings into the company," Mr. Shih said. Though this arrangement has carried Acer through 12 years of growth, it cannot support Mr. Shih's ambitious expansion plans.

Listing on the Taiwan Stock Exchange this fall will provide the company with a new source of funds. The \$16 million placement will be handled by a combination of Taiwanese, American, and Japanese institutions.

"It is a necessary step in our long-term strategy to become a truly global company," Mr. Shih explained. Underwriters encouraged him to list first in the United

States. He demurred, but he will apply for American Depository Receipt (ADR) listing eventually.

In many respects, Mr. Shih is the Taiwanese equivalent of the ambitious American entrepreneur, marshaling guts, talent, and hard work to fulfill a private ambition. But his ambition transcends monetary goals; it is fueled by a fierce pride in Taiwan.

"The economic growth of Taiwan has been fantastic, but it is not acknowledged internationally," he said. "We would like to be recognized, and we would like the position of Taiwan to become recognized."

Global expansion is the core of Acer's five-year plan, a document calling for 25 percent return on equity and 40 percent growth each year, a sixfold expansion of manufacturing space by 1989 and sales of \$1 billion by 1991. The sales target has already been revised upward—based on current expectations that the \$1 billion mark will be reached a full year ahead of schedule.

About 85 percent of Acer's production is exported, and the company owns distributorships in 67 countries. "Our market is global," Mr. Shih said, "but we haven't yet begun to trade technology. This is our most urgent goal."

In order to meet that goal, Acer

first had to establish a foreign base. Last year, the group acquired Counterpoint Computers Inc., a U.S.-based designer and manufacturer of minicomputers. Acer executives then started scouring Japan and Europe for research and development facilities to complement an existing laboratory in San Jose, California.

Following a strong sales campaign in the United States and Europe, which began in 1986, Acer decided to relocate production facilities closer to the market. It has contracted with Texas Instruments to manufacture up to 5,000 units per month at the U.S. company's plant and is seeking similar arrangements with other American and European manufacturers.

Mr. Shih's quest for international recognition came closer to reality this year when Acer applied for a license to develop and market legal clones of International Business Machines Corp.'s new PS-2 personal computers. This venture would open up a potentially huge market for the group, and add to Taiwan's global status in the high-tech field.

"We have demonstrated that the dreams of all young Chinese can be realized," he said. "I am not pretending that it's easy, but our success will encourage others. My own dream is to develop Acer into a globally prominent company. I think I can spend another 10 years working to achieve that goal."

Coleen Geraghty

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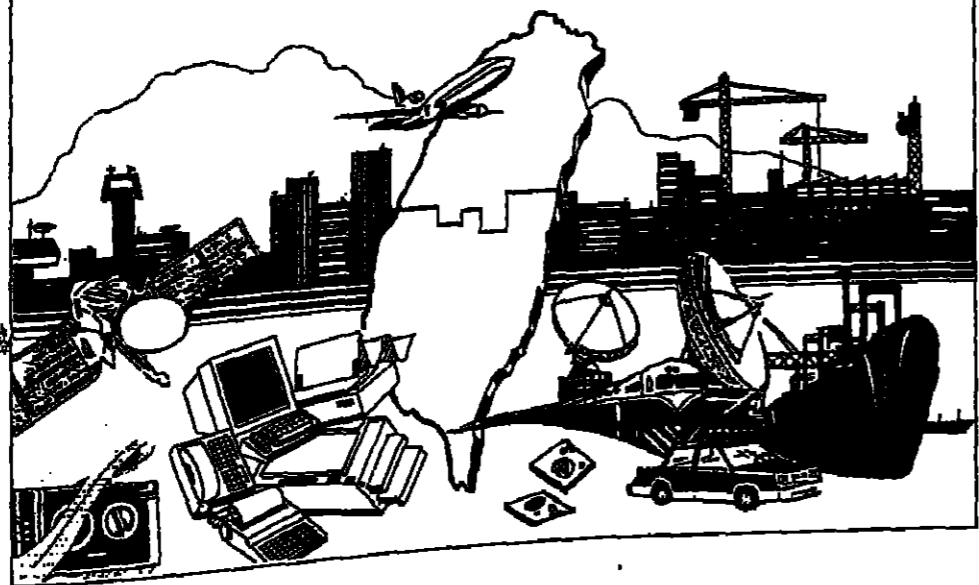
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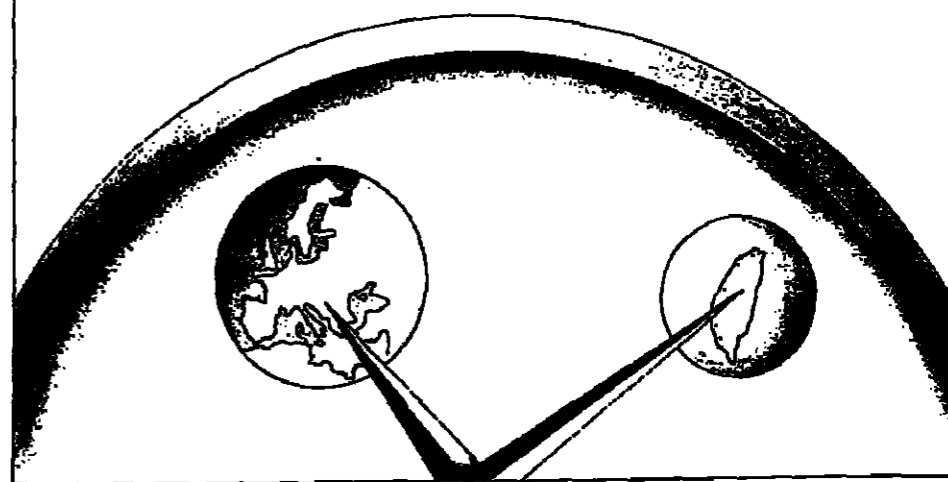
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FAX: 3928393









FROM MEDICAL SYSTEMS



THURSDAY, APRIL 21, 1988

INTERNATIONAL MANAGER

Often, Reference-Checking Proves an Empty Exercise

By SHERRY BUCHANAN

LONDON — Reference-checking is a standard but frequently unreliable method of assessing a job candidate's performance, character and ability. The catch is that previous employers are reluctant to give negative references in writing because they are afraid of being sued.

'There is a lot of bad-mouthing going on but never in writing,' Clark said.

RECRUITERS can't trust praise either. A headhunter recently called an executive to get a reference for a candidate who had once worked for the executive. The executive gave the candidate rave reviews in hopes of getting rid of him.

Irving Accord Amended

BCI Raises Bid, Seeks Lesser Stake

Compiled by Our Staff From Dispatches

NEW YORK — Banca Commerciale Italiana raised its cash tender bid for Irving Bank Corp. from \$65 to \$75 a share on Wednesday but lowered its proposed stake in the company, the two banks said after amending their accord.



James Sayers, center, general manager of AVX Corp's Northern Ireland plant, talking to workers.

U.S. Companies and the Other Ulster Firms Praise Work Force and Government Incentives

By Steve Lohr
NEW YORK — American companies in the province operate factories and facilities that make everything from cigarettes to computer software. They loom large in Northern Ireland's economy, employing 11,000 people, or 11 percent of the industrial work force.

Retail Prices In U.S. Climbed 0.5% in March

WASHINGTON — In another troublesome report of accelerating U.S. inflation, the Labor Department said Wednesday that consumer prices rose 0.5 percent in March after increasing 0.2 percent in February.

Despite the worrying trend, prices for the 12 months ending in March rose 3.9 percent, less than the 4.4 percent increase for all of 1987. The Reagan administration has maintained that market fears of a new bout of inflation are overblown, and is forecasting a 4.3 percent rise for consumer prices this year.

Currency Rates

Table with columns for Currency, Bid, Ask, and other financial data.

Other Dollar Values

Table with columns for Currency, Bid, Ask, and other financial data.

Interest Rates

Table with columns for Currency, Bid, Ask, and other financial data.

Key Money Rates

Table with columns for Currency, Bid, Ask, and other financial data.

Asian Dollar Deposits

Table with columns for Currency, Bid, Ask, and other financial data.

U.S. Money Market Funds

Table with columns for Currency, Bid, Ask, and other financial data.

Springer Family Regains Hold on Press Empire

By Ferdinand Protzman

FRANKFURT — The bitter battle for control of Axel Springer Verlag AG, West Germany's largest mass-circulation publisher, reached a surprising conclusion Wednesday when the brothers Franz and Frieder Burda sold their stake in the company to the heirs of Axel Springer.

Oct. 19: 6 Months Later, Pact Seems Near on Trading Halts

By David A. Vise

WASHINGTON — Six months after the collapse of world stock prices on Black Monday, the heads of the major U.S. stock and futures markets appear to be moving toward an agreement that all trading will be halted whenever the Dow Jones industrial average drops about 250 points in a single day.

Gold

Table with columns for Currency, Bid, Ask, and other financial data.

Weekly net asset value

Table with columns for Currency, Bid, Ask, and other financial data.

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NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of DEAN WITTER WORLD WIDE INVESTMENT TRUST S.A. will be held at its registered office in Luxembourg, 14, rue Albringern, on 29th April, 1988 at 14.00 o'clock for the purpose of considering and voting upon the following matters:

- 1. To hear and accept: a) the management report of the directors b) the report of the statutory auditor

The Board of Directors

In the reorganization of our Paris Office, we are pleased to announce the following appointments:

Russell Blair Branch Manager

Stephen B. Pierce Associate Branch Manager



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April 21, 1988

Job

to our Golf I imagine that you'd be a good fit for our optional American effort to the even to con-

ry who wished ad tracks and nd then quickly e for attacks on oil that the de-

on people will eliminate manage-up oil platforms, sweep names, it time-layers. If we do so, we have no dozens of U.S. of U.S. lives in our community. proportional to the best of both e hand they're y action. On the y supporting the will cause them to ng, well, writing, e detest propo- d in my view are: kicking the shoe came gun. You builds away, and sivate to him that ut using your own u must nervously a at the time and ing available that the n marginally over er of our military all of their navy's lack of concern Reagan administration e fault for an e Iranians are tory force is neces- opefully directed, hless and over- nicipate an ad- and pre-empt- e-laying incident of rinate use of force d for the elimination e navy, particularly assets. Instead the was intercepted e debate as to whether er to give it back. If appropriate action onable whether the B. Roberts would aged last week. ource, another eadable. Our Gulf- on conducted with a hazy, defined set without a clear an- these responsible other dispensable e force levels be com- that we have been e years, since 26 or 3d an American pro- three non-combat- for a good bit of eed in defining an military objectives eutral policy of p- interests in internat- that we have not d- going setting toward e we have demon- apities to Iran, and e destroyed much of e afford to take a e appropriate sup- e fully reduce our e e of advantage. e its ability to con- during a crisis, or e the sea what e. This allows op- e without offering e as conventional e e of military in- e necessary. e

Question

of hundreds of man this country and the like. He must re- though we have our e the Soviet government e a common meaning e we must understand e e would have been e on a scale never e e. The Golden B- e and use of e e relationships. To e the world requires e e with the Soviet U- e by having a balanc- e. The Golden Rule e of the individual e e of any level to accu- e. Our relationship e e. Our relationship e e.

ARS AGO

Spring in Brazil

# Wednesdays NYSE Closing

Tables include the after-noon prices up to the closing on Wall Street and do not reflect trade elsewhere.

(Continued From Page 10)

12 Month High	Low	Close	Change	12 Month High	Low	Close	Change
48 3/4	45 1/4	46 3/4	+1/4	120 1/4	113 1/2	115 1/4	+1/8
49 3/4	45 3/4	46 3/4	+1/4	121 3/4	113 1/2	115 1/4	+1/8
49 3/4	45 3/4	46 3/4	+1/4	122 3/4	113 1/2	115 1/4	+1/8
49 3/4	45 3/4	46 3/4	+1/4	123 3/4	113 1/2	115 1/4	+1/8
49 3/4	45 3/4	46 3/4	+1/4	124 3/4	113 1/2	115 1/4	+1/8

12 Month High	Low	Close	Change
12 1/4	11 3/4	11 7/8	+1/16
12 3/4	11 3/4	11 7/8	+1/16
13 1/4	11 3/4	11 7/8	+1/16
13 3/4	11 3/4	11 7/8	+1/16
14 1/4	11 3/4	11 7/8	+1/16

12 Month High	Low	Close	Change
14 3/4	13 1/4	13 5/8	+1/8
15 1/4	13 1/4	13 5/8	+1/8
15 3/4	13 1/4	13 5/8	+1/8
16 1/4	13 1/4	13 5/8	+1/8
16 3/4	13 1/4	13 5/8	+1/8

## U.S. Futures

Via The Associated Press

April 20

### Grains

Contract	High	Low	Close	Change
WHEAT (CBT)	180 1/2	179 3/4	180 1/4	-1/8
Soybeans (CBT)	21 1/2	21 1/4	21 1/2	+1/4
Corn (CBT)	120 3/4	120 1/4	120 3/4	+1/8

### Livestock

Contract	High	Low	Close	Change
Cattle (CME)	145 1/2	145 1/4	145 1/2	+1/8
Hog (CME)	72 1/2	72 1/4	72 1/2	+1/8
Pork (CME)	42 1/2	42 1/4	42 1/2	+1/8

### Currency Options

Contract	High	Low	Close	Change
Philadelphia Exchange	1.12	1.11	1.12	+1/16
London	1.25	1.24	1.25	+1/16
Paris	5.25	5.24	5.25	+1/16

### Food

Contract	High	Low	Close	Change
Coffee (CNC)	112 1/2	112 1/4	112 1/2	+1/8
Soybean Meal (CBT)	21 1/2	21 1/4	21 1/2	+1/4
Orange Juice (NYCE)	120 3/4	120 1/4	120 3/4	+1/8

### Metals

Contract	High	Low	Close	Change
Copper (COMEX)	200 3/4	200 1/4	200 3/4	+1/8
Aluminum (COMEX)	175 1/2	175 1/4	175 1/2	+1/8
Gold (COMEX)	325 1/2	325 1/4	325 1/2	+1/8

### Stock Indexes

Index	High	Low	Close	Change
Dow Jones	2,700 3/4	2,695 3/4	2,700 3/4	+5
NASDAQ	1,200 1/4	1,195 1/4	1,200 1/4	+5
S&P 500	400 3/4	400 1/4	400 3/4	+1/8

### Commodity Indexes

Index	High	Low	Close	Change
Moody's	125 1/4	125 1/8	125 1/4	+1/16
Reuters	125 1/4	125 1/8	125 1/4	+1/16
DJI Futures	125 1/4	125 1/8	125 1/4	+1/16

### Financial

Contract	High	Low	Close	Change
U.S. Treasury	125 1/4	125 1/8	125 1/4	+1/16
London	125 1/4	125 1/8	125 1/4	+1/16
Paris	125 1/4	125 1/8	125 1/4	+1/16

### Dividends

Company	Dividend	Payout
AT&T	0.35	3.2
IBM	0.40	3.5
Microsoft	0.20	2.5

### DM Futures

Contract	High	Low	Close	Change
Yield	1.25	1.24	1.25	+1/16
Rate	5.25	5.24	5.25	+1/16
Spot	100 1/4	100 1/8	100 1/4	+1/16

### Spot Commodities

Commodity	Price
Oil	25.50
Natural Gas	1.20
Coal	15.00

### Company Results

Revenue and profits in millions, or in local currencies unless otherwise indicated.

Company	Revenue	Profit
Union Carbide	2,100	500
Johnson & Johnson	3,500	750
McKesson	2,800	600

## Pirelli Family Tightens Grip on Group to Ward Off Takeover Moves

MILAN — The Pirelli family has tightened its grip on the huge Italian-Swiss tire and cables group in a complex restructuring project that analysts say will make it virtually impregnable against takeovers.

Company officials said at a news conference Wednesday that the main aim of the plan was to simplify what has long been viewed as a confusing corporate structure and produce a consolidated balance sheet for the first time.

But the chairman, Leopoldo Pirelli, acknowledged that the plan also strengthened his family's hold on the group and would make it extremely difficult to carry out a hostile takeover.

"The numbers speak for themselves," he said. "That doesn't mean with the old structure I didn't sleep well. But now there is a situation that protects us from surprises."

Under the reorganization, Pirelli & Co. will boost its current stake of around 20 percent in the group's parent companies to between 25 and 40 percent through a series of share operations.

Mr. Pirelli said his family's stake in Pirelli & Co., at 5.3 percent, is part of a shareholding plan that controls 57 percent of the company. Among his allies in the pact are a state merchant bank Mediobanca Spa and a company controlled by Carlo de Benedetti.

### NYSE High-Lows

Contract	High	Low
Wheat	180 1/2	179 3/4
Soybeans	21 1/2	21 1/4
Corn	120 3/4	120 1/4

### S&P 100 Index Options

Contract	High	Low	Close	Change
Call	125 1/4	125 1/8	125 1/4	+1/16
Put	125 1/4	125 1/8	125 1/4	+1/16

### U.S. Treasuries

Contract	High	Low	Close	Change
3-month	8.25	8.25	8.25	0.00
6-month	8.25	8.25	8.25	0.00
1-year	8.25	8.25	8.25	0.00

## SCIENCE IN THE HAND EVERY THURSDAY.

A FULL PAGE OF RECENT DISCOVERIES IN SCIENCE AND MEDICINE

## AT&T Report

NEW YORK — AT&T's earnings rose 42 percent in the first quarter, boosted by a sharp increase in international operations.

The company reported a 17 percent increase in revenue to \$1.5 billion, with earnings rising from \$300 million to \$440 million.

AT&T said its international revenue grew 25 percent, primarily due to a surge in long distance service.

## Wellington Investments Ltd.

Wellington Investments Ltd. announced that it had acquired a 20 percent stake in a major New Zealand company.

The investment is part of a strategy to expand the company's presence in the South Pacific region.

## IRELAND

Ireland's government has announced a new package of measures to stimulate economic growth.

The package includes a reduction in corporate tax rates and an increase in investment allowances.

## Market Guide

Market Guide provides a comprehensive overview of the financial markets, including stock indices, commodity prices, and interest rates.

It also includes a list of upcoming events and market forecasts.

## DM Futures Options

DM Futures Options table showing various contracts and their current market prices.

## Spot Commodities

Spot Commodities table listing prices for oil, natural gas, coal, and other raw materials.

## Sotheby's Plans Public Share Sale

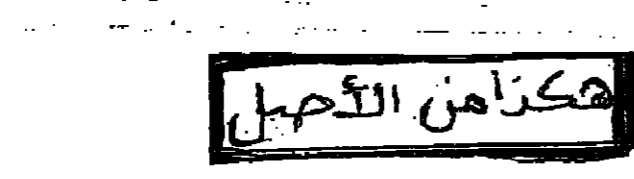
NEW YORK — Sotheby's has filed documents with the U.S. Securities and Exchange Commission to proceed with a public share sale.

The company said it is looking to raise approximately \$1 billion through the offering.

## Air France's Net Doubles

PARIS — Air France reported a sharp increase in its net profit, doubling it year-over-year.

The airline attributed the gain to increased passenger traffic and higher cargo revenues.



Partial view of another page containing text from 'The Associated Press' and other news items.

هلنا من الادل

Peugeot's 1987 Profit Surged 86%

Compiled by Our Staff From Dispatches PARIS — Peugeot SA, France's only private automaker, said Wednesday that its 1987 profit surged 86 percent from a year earlier...

As recently as 1985, Peugeot ranked fifth in sales. Mr. Calvet has said he aims to push the company's market share to more than 13 percent this year...

By slashing the work force by 14 percent, to 60,600, and bringing the company's debt under tight control, Mr. Calvet has dramatically boosted productivity.

AT&T Selects Chairman, Reports 10.5% Profit Rise

DENVER — American Telephone & Telegraph Co. said Wednesday that the board had elected the company's president, Robert E. Allen, as chairman and chief executive officer to succeed James E. Olson, who died from cancer on Monday.

Share through the rest of 1988. "That's our firm commitment," he told shareholders.

Mr. Allen, 53, had been acting chairman since Mr. Olson's death and was considered a clear favorite to succeed the man who guided AT&T out of the confusion surrounding the 1984 breakup of the Bell System.

AT&T also announced that its profit rose 10.5 percent in the first quarter, to \$492 million from \$445 million a year before.

The company said the board made its choice Tuesday night, although it named no successor for Mr. Allen as president.

Mr. Allen promised to carry on the legacy of his predecessor. "I fully intend to continue leading AT&T on the course Jim set out for us," Mr. Allen said.

Mr. Allen said the company should be able to sustain the 15 percent growth in earnings per share through the rest of 1988.

Mr. Allen promised to carry on the legacy of his predecessor. "I fully intend to continue leading AT&T on the course Jim set out for us," Mr. Allen said.

Mr. Allen promised to carry on the legacy of his predecessor. "I fully intend to continue leading AT&T on the course Jim set out for us," Mr. Allen said.

Sandoz Plans Stricter Limits On Stockholders

BASEL — Sandoz AG, the big Swiss pharmaceuticals and chemicals concern, said Wednesday that it planned to tighten restrictions on registering new stockholders to preserve the "Swiss nature of the company" and protect itself from hostile takeovers.

Rowntree, Skeptical, Agrees To Meeting With Suchard

LONDON — Rowntree PLC, the British confectionery group, said Wednesday that its chairman had agreed to meet with officials of Jacobs Suchard AG, the Swiss food giant that acquired a 14.9 percent stake in Rowntree last week.

Rowntree said its chairman, Kenneth Dixon, sent a letter Tuesday saying that its directors felt the company would perform best if it remained completely independent.

Rowntree, Skeptical, Agrees To Meeting With Suchard

In Zurich, a spokesman for Suchard denied that the Swiss company was buying Rowntree shares. The spokesman, Walter Andrus, said that Suchard stood by its goal of building a 25 percent stake, but that it had not and would not buy any more Rowntree stock as long as the price was so far above the 630 pence it paid last week.

He added that despite Rowntree's doubts, Suchard was still convinced that enlarging its stake would benefit both companies.

Analysts have said that Rowntree is attractive because of its strong brand names, such as Kit Kat bars and Fox's Mints, and its strength in countries such as Britain where Suchard is weak or is seeking to expand.

A meeting with Rowntree would not take place at least until after Suchard's annual general meeting on Tuesday, Mr. Andrus said. Speculation that Nestlé SA, another Swiss food giant, or the U.S. confectioner Hershey Foods Corp. might emerge as friendly counter-bidders to Suchard is likely to underpin Rowntree's stock for the time being, analysts said.

Brierley Shifts From 'Squirrel Approach' to Asset Disposal

WELLINGTON, New Zealand — Brierley Investments Ltd., bruised by the October stock market collapse, is under more pressure than it admits to sell underperforming assets and redeploy funds abroad, analysts say.

Its stock price, 4.60 dollars before the market collapse when adjusted for stock issues, is now 1.35 dollars. Brierley's growth over the years had been funded by cash and bonus issues that boosted the balance sheet and profits.

"Pre-crash, BIL realized it was getting to saturation point in terms of its ability to raise cash," said Denis Wood of Burtie Wilson & Co. Ltd. The October downturn accelerated Brierley's shift from a "squirrel approach" to one of trading its asset base more rapidly, he said.

Mr. Collins added, however, that Brierley's 51 percent-owned Australian subsidiary, Industrial Equity Ltd., had drifted before the market collapse, exploiting "interesting situations" rather than buy assets for their value.

Brierley saw spectacular growth in the 1970s and 1980s and at one time was New Zealand's largest company. Lisa Hanger, an analyst with the stockbrokers O'Connor Grievie & Co., said that the company's growth would now be stunted by a reduced capital funding base and that its share performance would be below the market average.

Brierley's relative size and New Zealand's sluggish growth prospects will prompt the company to dispose of many assets and increasingly look abroad, he said. The change has begun with sales of aviation, energy, building and retailing interests for more than \$1 billion in recent weeks.

He disagreed that Brierley would be forced to look offshore for growth. He cited the New Zealand government's plan to sell 14 billion dollars in assets over the next three years.

Mr. Collins said his first goal in resurrecting Brierley would be to boost its share price by getting a greater spread of stockholders, especially in Britain. More than 93 percent of its 190,000 stockholders live in New Zealand.

"Management had forgotten a key element in the BIL strategy: disposal of assets and redeployment of funds to produce improved returns," Ms. Hanger wrote in a report.

Paul Collins, Brierley's chief executive, disagreed that the company faced slow growth prospects. He said that Brierley was correct to take advantage of its equity strength in a bull market and that growth would come from within its 11 billion dollars of assets.

He contended that Brierley had been unjustly rated down since October along with New Zealand and Australian entrepreneurs.

He contended that Brierley had been unjustly rated down since October along with New Zealand and Australian entrepreneurs.

IRELAND: U.S. Companies Praise Work Force, Government Subsidies

Ceramic capacitors are tiny electrical storage devices used in the electronics industry, regulating and filtering the flow of electricity to sensitive integrated circuits. An industry rule of thumb is that five or more multilayer ceramic capacitors are sold for every integrated circuit.

Ireland's Industrial Development Board. "So we have to use a generous incentive package to get overseas companies to look at us seriously."

Coleraine is a religiously mixed community, with about 70 percent Protestants and 30 percent Roman Catholics. Mr. Sayers reports that the composition of the work force is within one percent of the community mix. Religion, he insists, has never been an issue at the company, nor has AVX ever permitted any sectarian flags or banners in its factories, unlike a few of the mainly Protestant factories in Belfast.

"It's not a poster for the AVX golf society or a recognized charity, we don't let it up," Mr. Sayers explained. "Whatever religious or political differences people may have are left at the factory gate."

Last year, the company decided to buy its facilities instead of continuing to rent them — evidence of a long-term commitment. Mr. Butler says he plans to make another investment in the province to make a new product next year.

As a preferred, comparatively high-technology business, AVX qualified for large subsidies both for investments and training.

"It's a partnership with the government," said James Sayers, general manager of the Coleraine operation. "The assistance is specifically aimed at encouraging you to broaden your skills and technological base."

"The only religion we have in here," Mr. Sayers added, "is to make capacitors profitably."

Because of the impressive performance of the Northern Ireland subsidiary, it has become the hub of AVX's European business, though the company also has facilities in West Germany and France. In fact, cost-cutting machinery and product modifications developed in Northern Ireland have been transferred to AVX facilities worldwide.

The government's cooperation goes beyond financial aid. For example, AVX conducts joint projects and training programs with the province's two universities, Queen's University and the University of Ulster. Recently, University of Ulster researchers did economic modeling work on the optimum monthly production mix for AVX.

"Those studies are basically coming to us for free," Mr. Sayers noted.

"Northern Ireland does have problems, but they are not ones that will impinge on your business," said Mr. Dowdall of the development board. "Any investor willing to look beyond Northern Ireland's poor political image will find an attractive place to set up a business."

European sales account for about a quarter of AVX's overall revenue, estimated at more than \$400 million this year. Though faced with stiffening competition from Japan, AVX is regarded as the world's leading maker of multilayer ceramic capacitors.

The financial inducements are considerable. These include government grants for capital spending of up to 50 percent of total costs, exemption from property taxes, tax write-offs for machinery and construction costs, factory rent subsidies of up to 100 percent, and financial assistance on loans.

"We've got a real image problem worldwide," said John Dowdall, deputy chief executive of Northern Ireland's Industrial Development Board.

"We've got a real image problem worldwide," said John Dowdall, deputy chief executive of Northern Ireland's Industrial Development Board.

Olympia & York Developments Limited

has purchased by means of a tender offer 13,489,354 shares of common stock of Santa Fe Southern Pacific Corporation

Santa Fe Southern Pacific Corporation

The undersigned acted as financial advisor to Olympia & York Developments Limited and as exclusive Dealer Manager for the tender offer.

ROTHSCHILD INC. New York Vancouver London Paris Zurich Hong Kong Singapore Sydney April 21, 1988

Company Results

Table with columns for Company Name, 1987 Revenue, 1987 Profit, 1987 Per Share, 1988 Revenue, 1988 Profit, 1988 Per Share. Includes companies like Hochtief, Ethyl, MCI Communications, etc.

Indigo Take-off. Indigo has just driven quarterly sales up 10 percent and tripled earnings after being battered for five months by analysts who thought such stocks were going to keep crashing. While, phone, fax or e-mail for complimentary reports explaining why this early Indigo Index Fund selection could be rewarding for four or five times their cost paid for it.

BUSINESS SCHOOL LAUSANNE SATURDAY M. B. A. Earn an MBA by taking our Saturdays only program. 8 hours of classes each Saturday - eternal exams. Second quarter begins May 28. Taking enrolments now. Top Faculty. Contact Admissions Officer: 28 ave. Ed. Daplines or P.O. Box 2290 1002 LAUSANNE, Switzerland Tel.: 021/27 38 33.

Weekly net asset value on 15-4-1988 U.S. \$35.89. Listed on the Amsterdam Stock Exchange. Tokyo Pacific Holdings N.V. on 18-4-1988 U.S. \$239.71. Securities 70%, Liquidity 30%. Listed on the Amsterdam Stock Exchange.

DAIWA JAPAN FUND Société d'investissement à capital variable 2, boulevard Royal - Luxembourg R.C. Luxembourg B-22761. NOTICE TO SHAREHOLDERS. The directors of Daiwa Japan Fund approved a change in the Investment Policy of the Fund in order to allow the Fund to make investments in financial futures.

Oil and Money Conference London. Note these dates in your calendar now! The ninth annual International Herald Tribune/Oil Daily "Oil and Money" conference will be held at the Inter-Continental Hotel in London on October 13 and 14, 1988. We will be gathering together an outstanding group of energy, financial and government leaders to address the conference. For full details, please contact Jenni Bielenberg, International Herald Tribune, Conference Office, 63 Long Acre, WC2E 9JH. Telephone: (441) 379 4302 or telex 262205.

ECUPAR Société d'Investissement à Capital Variable R.C. Luxembourg B 22918 Avis aux Actionnaires Convocation. Nous vous prions de bien vouloir assister à l'Assemblée Générale Ordinaire de ECUPAR, Société d'Investissement à Capital Variable, qui sera tenue au siège social, 10A, Boulevard Royal, Luxembourg, le Mardi 3 mai 1988 à 16 heures 30 et qui aura l'ordre du jour suivant: 1. Recevoir et adopter le rapport de gestion du Conseil d'Administration pour l'exercice clos au 31 décembre 1987. 2. Recevoir et adopter les rapports du Commissaire et de l'Expert Indépendant pour l'exercice clos au 31 décembre 1987. 3. Recevoir et approuver les comptes annuels arrêtés au 31 décembre 1987. 4. Affectation du bénéfice de la Société. 5. Nomination d'un nouvel Administrateur. 6. Donner quitus aux Administrateurs, au Commissaire et à l'Expert Indépendant pour l'accomplissement de leur mandat jusqu'au 31 décembre 1987. 7. Renouveler le mandat des Administrateurs, du Commissaire et de l'Expert Indépendant pour un terme d'un an devant expirer à la prochaine Assemblée Générale Ordinaire des Actionnaires. 8. Recevoir et accepter la démission d'un Administrateur de la Société et pourvoir à son remplacement. 9. Divers. Les actionnaires nominaux inscrits au registre des actionnaires à la date de l'assemblée seront autorisés à voter ou à donner procuration en vue de vote. Les procurations doivent parvenir au siège social au moins 24 heures avant la réunion. La présente convocation et une formule de procuration ont été envoyées à tous les actionnaires inscrits au 15 avril 1988. Des formules de procuration sont disponibles sur demande au siège social de la Société. Pour avoir le droit d'assister ou de se faire représenter à cette assemblée, les propriétaires d'actions au porteur doivent avoir déposé pour le 26 avril 1988, leurs titres, soit au siège social de la société, soit aux guichets des établissements suivants: - en Belgique: Banque Paribas Belgique S.A. World Trade Center Boulevard Emile Jacqmain 162 1210 Bruxelles. Crédit Communal de Belgique S.A. Boulevard Pachéco 44 1000 Bruxelles. COB Banque d'Epargne S.C. rue de Trêve 25 Bruxelles. - au Luxembourg: Banque Paribas (Luxembourg) S.A. 10A, Boulevard Royal Luxembourg. Banque Continentale du Luxembourg S.A. Boulevard Emmanuel Serrais 2 Luxembourg. Pour le Conseil d'Administration J. Pierson Président

**Wednesday's AMEX Closing**

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div. Yld. PE	52 Wks High	Low	Close
13 3/4	11 1/2	3M	3.5	14 1/2	11 1/2	12 1/2
14 1/2	12 3/4	4M	4.5	17 1/2	12 3/4	14 1/2
15 1/2	13 1/4	5M	5.5	19 1/2	13 1/4	15 1/2
16 1/2	14 1/4	6M	6.5	21 1/2	14 1/4	16 1/2
17 1/2	15 1/4	7M	7.5	23 1/2	15 1/4	17 1/2
18 1/2	16 1/4	8M	8.5	25 1/2	16 1/4	18 1/2
19 1/2	17 1/4	9M	9.5	27 1/2	17 1/4	19 1/2
20 1/2	18 1/4	10M	10.5	29 1/2	18 1/4	20 1/2
21 1/2	19 1/4	11M	11.5	31 1/2	19 1/4	21 1/2
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16 1/2	14 1/4	6M	6.5	21 1/2	14 1/4	16 1/2
17 1/2	15 1/4	7M	7.5	23 1/2	15 1/4	17 1/2
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19 1/2	17 1/4	9M	9.5	27 1/2	17 1/4	19 1/2
20 1/2	18 1/4	10M	10.5	29 1/2	18 1/4	20 1/2
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22 1/2	20 1/4	12M	12.5	33 1/2	20 1/4	22 1/2

**INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 20th April 1988**

Fund Name	Price	Fund Name	Price
AL-MAL GROUP	102.5	AMERICAN OVERSEAS	102.5
AL-AMAL TRUST S.A.	102.5	AMERICAN OVERSEAS	102.5
AL-AMAL TRUST S.A.	102.5	AMERICAN OVERSEAS	102.5
AL-AMAL TRUST S.A.	102.5	AMERICAN OVERSEAS	102.5
AL-AMAL TRUST S.A.	102.5	AMERICAN OVERSEAS	102.5
AL-AMAL TRUST S.A.	102.5	AMERICAN OVERSEAS	102.5
AL-AMAL TRUST S.A.	102.5	AMERICAN OVERSEAS	102.5
AL-AMAL TRUST S.A.	102.5	AMERICAN OVERSEAS	102.5
AL-AMAL TRUST S.A.	102.5	AMERICAN OVERSEAS	102.5
AL-AMAL TRUST S.A.	102.5	AMERICAN OVERSEAS	102.5

**Other Funds**

Fund Name	Price	Fund Name	Price
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5

**AMEX High-Lows**

Stock	High	Low	Stock	High	Low
3M	14 1/2	11 1/2	10M	29 1/2	18 1/4
4M	17 1/2	12 3/4	11M	31 1/2	19 1/4
5M	19 1/2	13 1/4	12M	33 1/2	20 1/4
6M	21 1/2	14 1/4	13M	35 1/2	21 1/4
7M	23 1/2	15 1/4	14M	37 1/2	22 1/4
8M	25 1/2	16 1/4	15M	39 1/2	23 1/4
9M	27 1/2	17 1/4	16M	41 1/2	24 1/4
10M	29 1/2	18 1/4	17M	43 1/2	25 1/4
11M	31 1/2	19 1/4	18M	45 1/2	26 1/4
12M	33 1/2	20 1/4	19M	47 1/2	27 1/4

**Deutsche Marks**

Instrument	Price	Instrument	Price
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5

**Japanese Yen**

Instrument	Price	Instrument	Price
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5

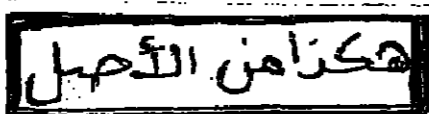
**Pounds Sterling**

Instrument	Price	Instrument	Price
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5

**ECU**

Instrument	Price	Instrument	Price
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5
AMERICAN OVERSEAS	102.5	AMERICAN OVERSEAS	102.5

Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 01399F for further information.



CURRENCY MARKETS

Dollar Up a Bit in Dull N.Y. Session

NEW YORK — The dollar moved out of its narrow range to end slightly higher Wednesday in dull trading in New York.

London Dollar Rates

Table with columns: Currency, Rate, Change. Includes Deutsche mark, French franc, Swiss franc, Japanese yen.

The dollar closed at 1.6670 Deutsche marks, up from 1.6633 DM at Tuesday's close, and at 124.25 yen, unchanged. It climbed to 5.6615 French francs from 5.6330 and to 1.3785 Swiss francs from 1.3760.

Mr. Madison said that traders had mixed feelings about the Consumer Price Index for March, which was within the market's expectations but nevertheless suggested that inflation was accelerating.

Canada Dollar Rises Sharply

OTTAWA — The Canadian dollar is rising sharply despite concerted action by the central bank to slow its ascent, traders said Wednesday.

Foreign Demand Is Slim for Japan's 20-Year Bond Sale

TOKYO — The Japanese government's latest auction of 20-year bonds drew a lackluster response from foreign banks and securities firms, despite their earlier requests to play an active role in providing such long-term funds.

U.S. High Court Deals Blow to Municipal Bonds

WASHINGTON — The U.S. Supreme Court upheld Wednesday a federal law that requires municipal or state bonds issued after June 30, 1983, to be registered before they can be tax-exempt.

The court today overrules a precedent that it has honored for nearly a hundred years.

This Bond Issue May Just Be Your Number

PARIS — ... Like playing the lottery but hate losing your money? Then consider buying the zero-coupon bonds of the Dutch cancer research institute managed by ABC/Kooijman Capital Markets.

actions involving bearer bonds, which means bond owners can easily conceal their income from the Internal Revenue Service.

Currency Trends Boosted Asia's '4 Tigers'

MANILA — Favorable currency trends boosted the economies of Hong Kong, South Korea, Taiwan and Singapore, which grew by an average 11.4 percent in 1987.

Congress mainly intended to crack down on the use of such bonds as an untraceable substitute for cash in illegal activities.

Army Five Force

linked with Palestinian guerrilla groups in the Arab East International Brigades. He speculated that the Red Army had something to do with the bombing.



Santos of Florida... Army Five Force... linked with Palestinian guerrilla groups in the Arab East International Brigades.

Wednesday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume.

Large table of OTC prices with columns: 12 Month High, Low, Stock, Div. Yld., Sales in '87, High, Low, P.A., Net Change.

Wednesday's OTC Prices (continued). This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume.

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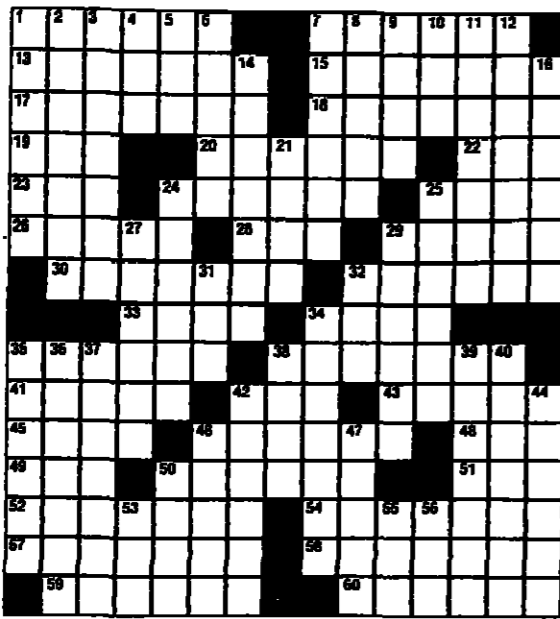
Large table of OTC prices (continued) with columns: 12 Month High, Low, Stock, Div. Yld., Sales in '87, High, Low, P.A., Net Change.

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Large table of OTC prices (continued) with columns: 12 Month High, Low, Stock, Div. Yld., Sales in '87, High, Low, P.A., Net Change.

Wednesday's AMEX Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Large table of AMEX closing prices with columns: 12 Month High, Low, Stock, Div. Yld., Sales in '87, High, Low, P.A., Net Change.



**ACROSS**

1 Starry  
7 N.H. city  
13 Quail  
18 Skeptically  
19 Place for a cradle?  
20 Small pianos  
19 "For... a jolly..."  
22 Ayes  
22 River isle  
23 Encountered  
24 English pope  
25 "Rule, Britannia" composer  
26 Loser to Dwight  
28 An antelope  
29 Link again  
30 Churchly discourses  
32 Dancer  
32 Katherine  
33 Muck's companion  
34 Arrived  
35 Sign of age  
38 Sand rats' kin  
41 "It's... way to Tipperary..."  
42 Come out ahead  
43 Entrances to mines

**DOWN**

1 Wheezing condition  
2 Diatribes  
3 Carpenter's horse  
4 Actress  
5 McClintock  
6 Silent screen's Harold  
7 Bahamian capital  
8 Colo. resort  
9 Gear for 8  
10 Chinese dynasty  
11 Dig up  
12 Sea anemone  
14 Table centerpiece

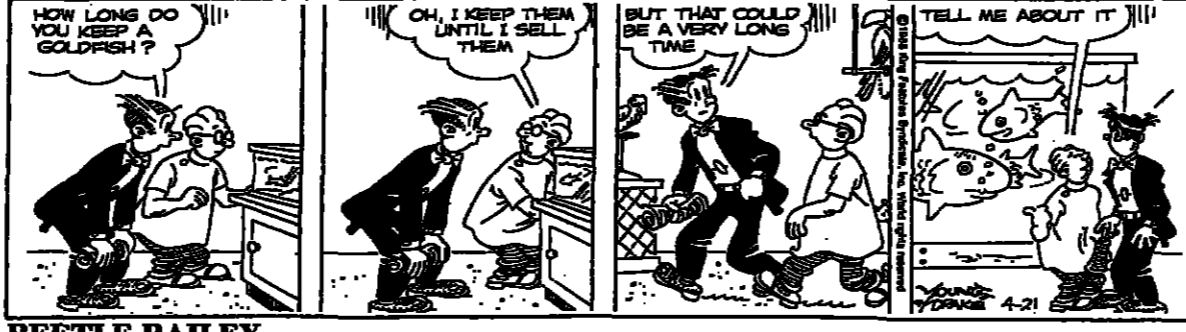
46 Hit hard  
46 Sips  
48 Jell  
49 Sound of impatience  
50 Heggen's "Roberts"  
51 Notice  
52 Obvious  
54 Meat-filled pastry  
57 Pedigree  
58 Plotted  
59 Type sizes  
60 Lumberjacks  
21 Transgressions  
24 Toxophilite's action  
25 Virgil's epic  
27 Pre-joust activity  
29 Latin dances  
31 "... pro nobis"  
32 Book by Nabokov  
34 Hubs  
35 Short, light prose work  
36 Sediment condition  
37 Tipster's activity  
38 Essence  
39 Lite  
40 Pittsburgh footballer  
42 Squanders  
44 Mounts for knights  
46 Faint hue  
47 Film's Von Stroheim  
50 Headcheese, e.g.  
53 Minerva, for one  
55 Pronoun for a calico cat  
56 Sutch

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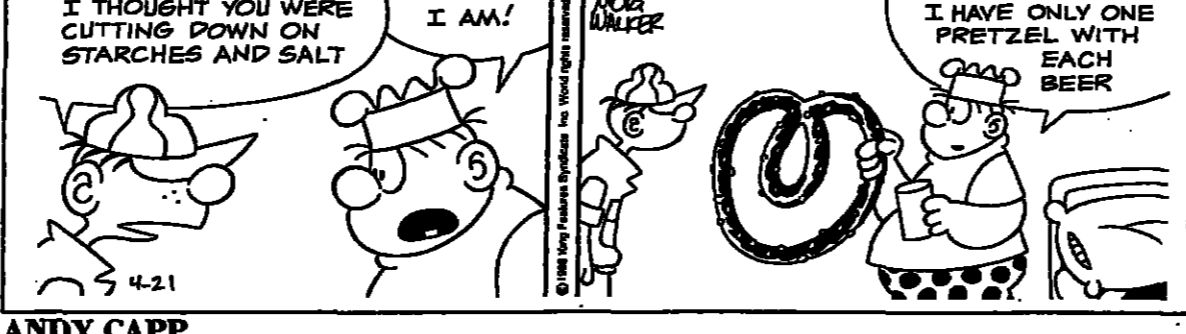
PEANUTS



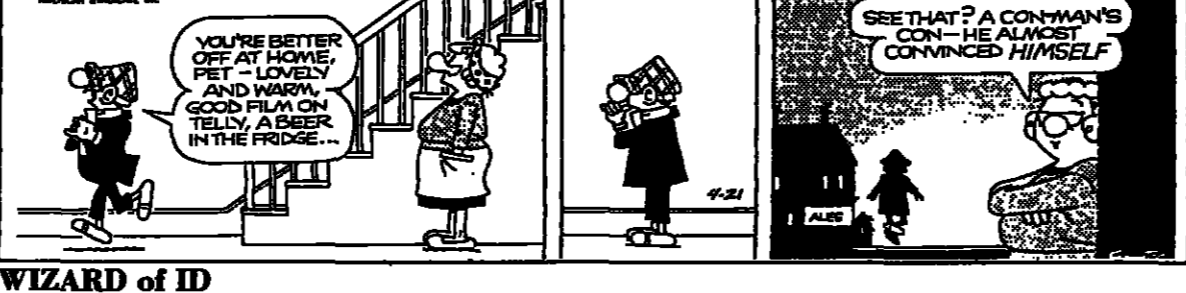
BLONDIE



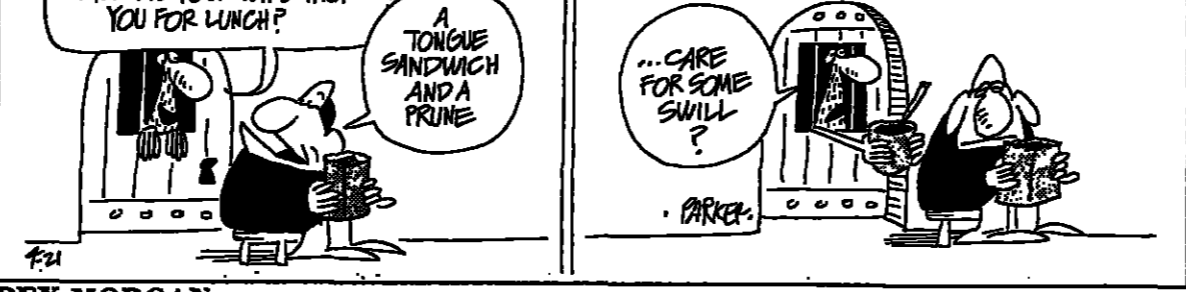
BEEBLE BAILEY



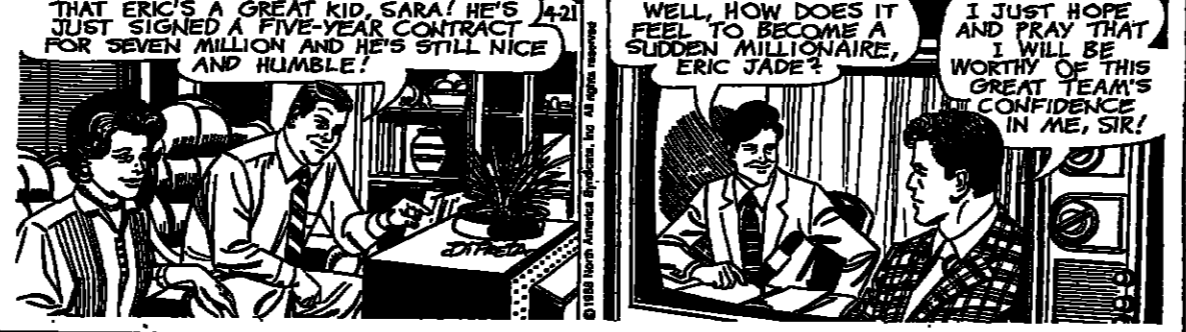
ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



"MR. WILSON TELLS ME STORIES ABOUT PIRATES AND COWBOYS YOU READ ME ABOUT SOME DUMB KID JUMPIN' OVER A CAZLESTICK!"

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

YINKK  
BRIHC  
EDDOM  
INGOHM

Answer here:

Yesterday's Jumbles: BRAIN CRUSH WISDOM HECTIC  
Answer: What that "sorcerer" at the beach must have been—"A SAND WITCH!"

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Amsterdam	15	9	Bangkok	26	21
Athens	15	9	Beijing	16	11
Berlin	15	9	Calcutta	26	21
Brussels	15	9	Hong Kong	26	21
London	15	9	Manila	26	21
Paris	15	9	New Delhi	26	21
Rome	15	9	Seoul	26	21
Tokyo	15	9	Shanghai	26	21
Zurich	15	9	Singapore	26	21

World Stock Markets

Closing prices in local currencies, April 20

Market	Index	Change
Amsterdam	1100	+10
London	2700	+15
Paris	1200	+8
Frankfurt	1500	+12
Stockholm	1800	+5
Hong Kong	1600	+20
Singapore	1400	+18
Tokyo	1900	+25

Market	Index	Change
Amsterdam	1100	+10
London	2700	+15
Paris	1200	+8
Frankfurt	1500	+12
Stockholm	1800	+5
Hong Kong	1600	+20
Singapore	1400	+18
Tokyo	1900	+25

Market	Index	Change
Amsterdam	1100	+10
London	2700	+15
Paris	1200	+8
Frankfurt	1500	+12
Stockholm	1800	+5
Hong Kong	1600	+20
Singapore	1400	+18
Tokyo	1900	+25

BOOKS

**1999: Victory Without War**  
By Richard M. Nixon. 336 pages. \$19.95.  
Simon & Schuster, 1230 Avenue of the Americas, New York, N. Y. 10020.

Reviewed by Christopher Lehmann-Haupt

HERE are few surprises in former President Richard M. Nixon's latest book, "1999: Victory Without War," which describes in an author's note as "the product of a lifetime of study and on-the-job training in foreign policy, and which he apparently intends as a how-to guide for whoever is elected president this November."

Detractors of Nixon will decry the book's obsession with potency and winning, with geopolitical giants who are variously "tragedians," "reluctant" and "awakened," as well as a Machiavellian view of a world that he sees as divided between the bad Soviet Union and the good United States. Admirers will applaud his vast knowledge of world affairs, his experience with international leaders and the way he combines hardheadedness with idealism.

But however one may regard Nixon, one has to applaud the clarity, simplicity and anecdotal appeal of "1999," which follows "No More Vietnams" (1985), "Real Peace" (1987) and "Leaders" (1982) and "The Real War" (1980) among the books he has published since his memoirs, "RN," appeared in 1978. There are even one or two faint hints of humor.

But Nixon makes the subject of geopolitics dramatic in "1999." Partly this is because he raises all the timely questions about the present state of the world, and then answers them both systematically and thoroughly. Partly it is because of the coherence of his world view.

Conflict is "intrinsic to mankind," he believes. "Real peace is a means of living with unending conflict." The Soviet Union is the ultimate enemy in that conflict, and it has grown more dangerous than ever with the ascendancy of Mikhail S. Gorbachev, who, though sincere in his desire for peace, is nevertheless still dedicated to the triumph of communism, Nixon insists.

To thwart Gorbachev's aims, the United States needs a new "comprehensive policy that combines deterrence, competition, and negotiation." By such means it can defeat the Soviet Union peacefully by the end of the millennium, or, as he puts it in his subtitle, achieve "victory without war."

Every detail of his master plan follows from this grand scenario — from his advocacy of the Strategic Defense Initiative, to his call for a settlement of the Palestinian question, to his call for a "force closer ties" with the countries in the region of the Gulf that will act as a buffer against a Soviet push to the south.

Of course there are faults here and there in the wholeness of Nixon's argument. Events in Afghanistan and Nicaragua have overtaken his text, although he doubtless he would counsel against the fine print of impending peace agreements in either area, on the theory that for Moscow and its clients (which he asserts both the Kabul government and the Sandinistas to be), "peace is a continuation of war by other means."

He never unveils completely the logic by which he views the Soviet Union as the source of the world's evil while at the same time considering China one of the great hopes for the United States' future. Both are communist countries, he keeps reminding us, and communism has lost its appeal. Yet the Soviet Union must be defeated, while a "productive Chinese-American relationship... could move the world to unprecedented heights of peace and freedom."

He sounds disingenuous when he writes, "If the people of the Third World think we are interested only in winning the Cold War, the Soviet Union, we will lose the war for our hearts and minds. These people have tremendous problems. At least the communists talk about problems. Too often we talk only about communism." This seems an odd statement to make in a book mainly devoted to the trouble with communism.

And when in his final chapter he attacks the "new negativism" that he sees as becoming rampant in "the upper crust of America" in terms of education, money, and power, and begins to stress all that is promising about this country, he not only loses the fact-based reasonableness that has characterized his book, but also begins to sound hollow and cliché, like the somewhat over-the-top grandiose documentary film, "We Must Destroy the Past... not to ignore the past, but to destroy the past, not to turn back to the past, but to move forward and upward in a way that opens up new vistas for the future."

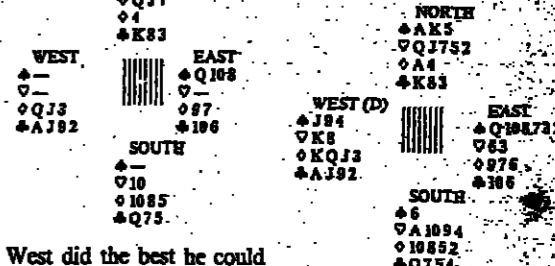
Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

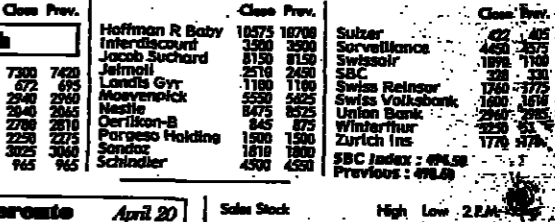
By Alan Truscott

ONE of the world's great players made a rare appearance in the New York metropolitan region recently and added to his large collection of titles. The three-time world champion Bob Goldman of Dallas, won the Flight A Swiss Teams at the Long Island Regionals in Hempstead, together with Ruth Stober of Great Neck, Long Island, Eileen Brenner of Livingston, New Jersey, and Michael Pickett of West Orange, New Jersey.

various doors open, and was raised to game. The diamond queen was led and won with the ace in dummy. South played spades, ruffing the third round, and noted that East had played high-low. He then played the ace and another heart, giving West the lead in this position:



replay, East was permitted to play in two spades, scoring 110. There was a good clue to the diamond situation. The spade queen was marked with East, by his signal and West's failure to lead the suit. Given that, West had to have the diamond jack to have the 15 high-card points promised by his opening bid.



West did the best he could by cashing the diamond queen and leading the three. It would have been right to ruff in East had begun with J-7-6 rather than 9-7-6, but Goldman confidently discarded a club from the dummy and made the game to win 12 imps. In the

Canadian stocks via AP

Stock	High	Low	Change
1624 Abit Price	22.25	22.00	-0.25
1625 Alcan	22.00	21.75	-0.25
1626 Alcan	21.75	21.50	-0.25
1627 Alcan	21.50	21.25	-0.25
1628 Alcan	21.25	21.00	-0.25

Major League

Team	Wins	Losses	Games
Atlanta	10	5	15
Baltimore	8	7	15
Boston	7	8	15
California	6	9	15
Chicago	5	10	15

مكازم الأصيل

SPORTS

Orioles Stumble to 13th Loss

By Richard Justice
Washington Post Service
MILWAUKEE — The team of Brooks and Frank, of September pennant races and October celebrations has hit rock bottom. The Baltimore Orioles, major league baseball's most successful franchise for the past 31 years, continued their descent through darkness Tuesday night by losing an 84-year-old major league record for losses at the beginning of a season.

one in the dugout, Manager Frank Robinson, the other in the broadcast booth, former third baseman Brooks Robinson. "This has got to be the epic event for this franchise," said Brooks Robinson. "When we won pennants or the World Series, we were doing what we were supposed to do. Who would have expected this? Maybe this is a payback. Other teams have gone through hard, but until now the Orioles never had."



Toronto's Jesse Barfield, hitting a third-inning grand-slam homer.

Fisher's 7-Hitter Ices Cardinals As First-Place Pirates Stay Hot

Compiled by Our Staff From Dispatches
PITTSBURGH — On a chilly night at Three Rivers Stadium, the St. Louis Cardinals couldn't handle Brian Fisher's heat. Fisher, a hot pitcher for one of the National League's hottest teams, mixed a 95-mp/h (153-kph) fastball with off-speed stuff en route to a seven-hitter that beat Cardinals, 3-0, for Pittsburgh here Tuesday night.

for-26 slump with three hits and two RBIs to spark Philadelphia past the Mets for the second straight night. Expos 9, Cubs 1; In Chicago, Dennis Martinez pitched a six-hit

third against Bret Saberhagen, who lasted only four innings. Winner Jim Clancy racked up a career-high 12 strikeouts, which tied the club record set by Pete Vuckovich against Baltimore on July 26, 1977. Yankees 7, Twins 6; In Milwaukee, Rickey Henderson, Bobby Meacham and Mike Pagliaro drove in two runs apiece in a six-run second that started New York past the Twins.

U.K., New Zealand Seek Preliminary Cup Series

The Associated Press
LONDON — The Royal Burnham Yacht Club will participate in an elimination series against New Zealand to challenge for the America's Cup if the Sail America syndicate agrees. "We shall be racing an elimination series in August against Michael Fay's boat," David Redfern, a spokesman for Britain's Blue Arrow group, said Tuesday. "The winner of that race will face San Diego for the cup."

Oilers' Defense Snuffs Flames

The Associated Press
CALGARY, Alberta — The Edmonton Oilers used to depend almost solely on an explosive offense. But on Tuesday night it was discipline, defense and penalty killing that enabled them to subdue the Calgary Flames, 3-1, in Game 4 of a Campbell Conference semifinal series in the National Hockey League playoffs.

Red Wings 5, Blues 4; In Detroit, Shawn Burr scored twice, including the go-ahead goal at 6:09 of the third period, and Gerard Gallant tallied the winner at 7:46 to lift the Wings past St. Louis. After the conservatively played contest — there were only 41 shots, 22 by Detroit — Gallant said, "I expect a lot of close games. It's going to be like tonight. They're very similar to us. They have two checking centers and two scoring centers. They play physical."

Baseball

Table with columns for Team, W, L, Pct., and Runners. Includes Baltimore Orioles, Toronto Blue Jays, and others.

Basketball

Table with columns for Team, W, L, Pct., and Points. Includes Detroit Pistons, Los Angeles Lakers, and others.

Hockey

Table with columns for Team, W, L, Pct., and Goals. Includes St. Louis Blues, Detroit Red Wings, and others.

Scoreboard

Table listing game results for various sports including baseball, basketball, and hockey.

NBA Leaders

Table listing top performers in the NBA for points, rebounds, and assists.

NHL Playoffs

Table listing NHL playoff results and schedules for various teams.

Major League Standings

Large table showing the current standings for all major league baseball teams, including American League and National League divisions.

Transition

Table listing baseball players and their statistics, including batting averages and fielding percentages.

Tennis

Table listing tennis players and their performance in various tournaments.

IAAF Bans Green, Morales for 2 Years

LONDON (AP) — U.S. hammer thrower Bill Green, who tested positive for an excessive level of testosterone at last year's Pan American Games, and Puerto Rican sprinter Luis Morales on Tuesday were banned from international competition for two years by International Amateur Athletic Federation.

UEFA Reduces Koeman's Suspension

ZURICH (AP) — Ronald Koeman, sweeper for Dutch soccer champion PSV Eindhoven, had his suspension from European competition reduced to one game from three by the UEFA appeals jury on Wednesday.

Quotable

Golfer Lee Trevino: "My wife doesn't care what I do when I'm away, as long as I don't enjoy myself."

Escorts & Guides

Large advertisement for international escorts and guides, listing various agencies and services across different cities like London, Zurich, and Geneva.

EL UPDATE

Expected New... (Small text block at the bottom left corner)

